LATIN AMERICA TRADE REVIEW 1989

A U.S. Perspective

U.S. DEPARTMENT OF COMMERCE
International Trade Administration

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Office of South America

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REGIONAL OVERVIEW

The Latin American Economy in 1989

Latin America's trade with the world grew more slowly than world trade in 1989, despite strong efforts by newly democratic governments in the region to stimulate private enterprise, promote nontraditional exports, and attract new capital and technology. Bucking a deeply entrenched tradition of relying on the state to provide all the answers calls for political courage and skill, yet leaders in nearly all the countries in the region are committed to this course of action. This stance represents a change of attitude in Latin America that will require time, however, to produce the desired results. At the same time, it creates a dilemma because per capita incomes in the region are continuing to decline and voters want evidence that the new trade and investment policies will start paying off for them very soon.

Attitudes favoring domestic economic reform in Latin America are the product of necessity as much as of anything else. There is now general acceptance of the fact that international competition for foreign direct investment is intensifying, and even the upper-middle income countries have to seek it aggressively. This in turn means implementing credible economic reforms, including curbing inflation, getting rid of subsidies, reforming tax policies, liberalizing imports, and providing adequate protection for industrial property.

Countries furthest along in the economic reform process -- particularly Chile, Mexico and, on a smaller scale, Bolivia -- are also the ones experiencing higher rates of growth in their international trade. Mexico's progress is impressive to Americans because it has the second largest economy in the region after Brazil and because it impacts directly on domestic U.S. policies, notably drugs, immigration, and even the environment. Mexico's combined trade with the world jumped 17 percent in 1989, and it should increase about the same amount this year.

Chile, with a population of 13 million compared with Mexico's 85 million and a gross domestic product (GDP) a little more than one-tenth the size of Mexico's, turned in the best economic performance in the region by far in 1989. Its trade with the world jumped 18 percent, with nontraditional exports paving the way and Chilean products entering new markets around the world.

Peru had the worst economic performance in the region. Its unwillingness to undertake tough economic reforms has contributed to a spiraling loss of confidence by the Peruvian business community and economic recession accompanied by a sluggish trade performance, and an absence of new investment. The new government of Peru faces extraordinary challenges, including instability caused by "narco-guerrilla" activities.

Brazil, Argentina, and Venezuela have adopted policies to liberalize trade and investment, but with insufficient concomitant domestic reforms thus far to ensure their success. Great importance is attached to the success of the reform policies of Brazil's new president, for Brazil is a leading force in the continent of South America and whatever occurs there is bound to directly affect the outcome of the economic policies of its neighbors.

Brazil also is perceived to be the key to economic integration of the Southern Cone countries in the region, a process that has faltered. Lack of strong positive results is in turn contributing to a growing sense of isolation from the world economy among Latin American leaders.

Latin America's Exports

While Latin America's trade has lagged behind the rest of the world, the region's exports continued a three-year recovery and stand now 6 percent above their pre-debt crisis level of 1981. Higher world prices for oil, iron ore, copper, tin, and zinc helped several countries. Argentina benefitted from higher prices for corn and wheat, but Brazil suffered from lower soybean prices. Lower prices for several tropical products -- coffee, cocoa, and bananas -- were a setback for Colombia, Brazil, Ecuador, and several smaller Caribbean Basin economies. Latin America's exports should grow more slowly in 1990, at about 4 percent compared with 7 percent in 1989.

Latin America's Imports

Latin America's global imports also continued to recover, but at $90 billion they are still running well below their level of $105 billion in 1981. Nearly all of the region's import growth is due to Mexico, which is the largest importer and is pursuing strongly expansionist import policies. Beyond this, import performance varied widely, with Brazil, Chile, Paraguay, and Bolivia experiencing large increases and Venezuela and Argentina undergoing substantial reductions. A reversal in trend in both the growth and declining countries is expected this year.

Latin America's Trade Balance

A concerted effort to boost exports everywhere, combined with a strong tendency in some countries to delay import liberalization in order to head off domestic disequilibrium, continued to produce a hefty regional trade surplus -- on the order of $20 billion compared with an overall deficit before the onset of the debt crisis. All of the South American countries posted a trade surplus; Mexico swung into deficit for the first time in several

years, while the Caribbean Basin countries were unable to boost their global exports enough to ease a persistent, large trade deficit. While running a large trade surplus may ease international concerns about the basic credit worthiness of Latin America, it is proving to be not enough to prevent a substantial, continuing net outflow of resources from the region apart from Mexico. This serves as a strong reminder that trade performance by itself cannot provide the key to sustained, solid economic growth for Latin America.

U.S. Trade with Latin America

Results for 1989 confirm an inescapable basic trend that while the United States continues to be the region's major trading partner, Latin America's trading importance to the United States is slowly declining. Once again, the clear exception is Mexico, which, with Canada, is the primary focus of U.S. attention in the hemisphere. Two-thirds of Mexico's combined trade is now with the United States, and the steady growth of Mexico's "maquiladora" program along the border with the United States will help to ensure that this continues. Mexico's growing ties to the United States in trade and investment is another factor contributing to the feeling of economic isolation in South America.

On a smaller scale, the Caribbean Basin countries are experiencing the benefits of the Caribbean Basin Initiative (CBI) launched by the United States in 1984, which included special trade and investment incentives as well as stepped up aid to the region. Two-way trade increased sharply in 1989, with U.S. exports up 20 percent and imports up 12 percent, while the Caribbean Basin's trade with the rest of the world fell off sharply, despite preferential access programs of the European Community (Lome) and Canada (Caribcan). These trade results reflect ongoing new investments by U.S. firms that serve to stimulate U.S. exports of capital equipment while enhancing access to the U.S. market for new Caribbean products. Current CBI trade trends are expected to continue in 1990, but at a slightly slower pace.

In South America, where by far the largest long-term market potential exists, the United States continues to hold the major share of imports. What is increasingly overlooked is that U.S. competitors are investing in the region in spite of the rather somber outlook, and this is going to have a major impact on trading patterns and, more particularly, on the long-term U.S. share of the market. U.S. exports to South America declined 4 percent in 1989, reversing a three-year trend, with declines in six countries and an increase in only four --- Brazil, Chile, Colombia and Uruguay.

But the trade trends have to be assessed within the broader context of declining U.S. investment in the region, which is the real key to the United States' long-term share of the market. They should also be assessed in terms of their composition. An increasing percentage of U.S. trade with the region is intra-company trade among the multinational corporations, while smaller U.S. new-to-market firms are either denied entry or lack sufficient trade finance to penetrate the market. Compounding the problem on the one hand is a general desire by U.S. banks, particularly the regional banks, to disengage from the region, and on the other hand an inability on the part of U.S. firms to obtain a proportionate share of new business generated by loans from the World Bank and Inter-American Development Bank.

The United States ran a $9 billion trade deficit with Latin America in 1989, representing a small and declining share of its global trade deficit. The U.S. deficit with each of the four major countries -- Mexico, Brazil, Venezuela, and Argentina -- will continue this year, but in itself is not a major factor in shaping U.S. bilateral economic relations with them. Of greater importance is that these countries open up their markets as economic adjustment proceeds, particularly to new U.S technology and to smaller U.S. firms. On the U.S. side, adequate trade finance must be made available and firms must be willing to be more aggressive in seeking longer term business opportunities, which selectively exist in the region.

ARGENTINA

Total Trade Trends

Argentine exports grew modestly in 1989, while imports dropped significantly. The resulting trade account surplus of $5.4 billion was about 30 percent larger than in 1988. The poor domestic economic performance contributed significantly to this fairly large trade surplus, which cannot continue without damaging Argentina's future capacity to grow.

Overall, exports increased by over 3 percent to about $9.5 billion. The principal growth was in metal product exports, which advanced substantially with steel products leading the way. These product lines represent about 10 percent of all Argentine exports and grew about 60 percent. Other export items that registered fairly good growth were meat, electrical machinery, energy products, and transport manufactures.

On the other hand, grains and other agricultural products, which represent about 60 percent of total Argentine exports, grew very modestly in value terms. This limited improvement reflected a significant decline in export volumes (due to a drought) which was offset by stronger world prices.

Argentine exports destined for other Latin American markets showed continued growth in 1989. Preliminary data indicate that intra-regional trade increased by 41 percent compared with 1988 and constituted about 24 percent of total Argentine exports. Exports to Brazil and Uruguay, particularly of industrial goods, showed significant increases, while exports to other markets showed only modest growth. The export share for these markets was 25 percent for EC, 12 percent for the United States, and 12 percent for the Soviet Union. The bulk of exports destined for Europe were grains and meat products.

Imports dropped sharply in 1989 (about 18 percent) to a level not seen since 1985. The principal cause for this decline was the contraction in overall economic activity. GDP shrunk by 3 percent in real terms in 1988 and registered a further drop of about 7.5 percent in 1989. Inflation, brought down significantly after President Menem took office on July 8, 1989, grew substantially, to about 5,000 percent by year-end.

Virtually all import categories suffered reductions compared with 1988. However, intermediate goods imports increased slightly. Capital goods imports dropped significantly reflecting the rapid contraction in domestic investment, which reached its lowest ratio to GDP since 1983 -- about 12 percent.

Import liberalization efforts continued in 1989. The average tariff rate declined to about 20 percent, and the prohibited import products list was reduced from approximately 1,000 to 110 categories. These measures, combined with a market-based exchange rate introduced in December 1989 should begin to have a positive impact on the trade accounts in 1990.

The immediate outlook for the Argentine economy is highly uncertain, despite recent encouraging policy initiatives to stabilize the macroeconomic environment. On the other hand, the liberal foreign investment and energy sector development laws offer a long term basis for new and increased investment flows. In addition, the proposed modernization of major sectors of Argentina's economy through privatization is clearly a further positive indication of fundamental restructuring, for example, in the telecommunications and transport sectors. If these policy directions are successful, U.S. companies will benefit from increased export opportunities over the medium term.

In 1990, Argentina is expected to generate another trade account surplus of approximately $5.5 billion. Exports are expected to grow about 12 percent, provided that industrial country markets stay strong; grain export volumes recover from last growing season's drought; export tax rates are substantially reduced or eliminated; and the real exchange remains favorable to exporters. After reaching their lowest level since 1985, imports are not expected to grow significantly, because of the recessionary impact of the adjustment program instituted in January 1990 by the Argentine Government.

U.S. Exports to Argentina

Exports to Argentina were about $1.04 billion in 1989, only slightly lower (about $18 million) than in 1988. U.S. exports contracted substantially less than other countries' exports, resulting in a somewhat higher U.S. market share. The U.S. share has tended to increase in the last two years, as price competitiveness of U.S. goods improved. U.S. exports of aircraft/associated equipment, and office machines/associated parts performed quite well in a generally weak Argentine domestic market. Prospects for U.S. exporters in oil/gas field equipment, telecommunications equipment, electronic components, and food processing/packaging equipment should be good in the next few years.

U.S. Imports from Argentina

Imports from Argentina contracted by about 3 percent to a level of less than $1.4 billion. The U.S. share of Argentine exports decreased slightly to about 12 percent. Leather remained the largest imported product, but registered a small drop in 1989. On the other hand, imports of meat and petroleum products increased. Petroleum product imports were particularly strong, growing by nearly $68 million in 1989.

Bilateral Trade Balance

The United States has generally had trade deficits with Argentina since the beginning of the "debt crisis" in 1982. In 1989, its trade balance with Argentina continued in this direction, with the deficit reaching about $360 million, slightly down from the 1988 deficit of $391 million. The deficit is expected to increase in 1990, as U.S. exports will probably decline and imports will recover to a higher level than in 1989.

BOLIVIA

Total Trade Trends

Bolivia's trade performance improved tremendously in 1989, registering its first trade surplus ($110 million) since 1985. Total exports increased by one-third to $725 million, whereas, imports decreased 12 percent to $615 million.

Bolivia still remains overly dependent on natural gas and mineral exports. However, the government has emphasized export diversification, which resulted in $176 million worth of nontraditional exports in 1989.

Mining retained its position as primary foreign exchange earner, earning $327 million. Last year marks the full recovery of the mining industry from the major restructuring of 1985 in which some 40,000 miners were put out of work and several mines were closed. Mineral production and exports were substantially increased because of both higher tin and zinc prices on the world market and increased shipments of minerals. It is expected that minerals exports will increase annually for the next few years at least.

Bolivia continues to have difficulties with its natural gas exports to Argentina. Argentina's delinquency in making timely payments for Bolivian gas shipments seriously handicaps the Bolivian Government since these payments represent 30 percent of the government's budget and 40 percent of Bolivia's total export earnings. The Paz Zamora administration attempted to make the best of an extremely difficult situation by negotiating a debt-for-debt swap with the Argentine Government. Bolivia forgave Argentina $300 million in short-term debt owed for natural gas shipments in exchange for $800 million in long-term debt that Bolivia owed Argentina. The Bolivian Government is seeking financing for a proposed pipeline with Brazil, which, if obtained, will lead to a substantial increase in natural gas exports.

The new administration, under the leadership of Jaime Paz Zamora, took office in August 1989, and it is not likely to make any major changes in trade and investment policies in the immediate future. President Paz Zamora quickly expressed his intent to carry on the tenets of the 1985 New Economic Policy. This policy calls for liberal trade and investment policies and tight monetary policies aimed at containing inflation, which in 1985 reached a peak of 20,000 percent. While these policies have been extremely successful at holding down inflation, they also have hindered economic expansion. For the last three years, the Bolivian economy expanded at a pace too slow to match the population growth. The primary task at hand is to reactivate the economy, a feat which should result in greater two-way trade between the United States and Bolivia.

U.S. Exports to Bolivia

For the first time since 1986, U.S. exports to Bolivia did not increase in value, dropping a slight 2 percent in 1989 to $144

million. More significant, however, was the drop in the U.S. share of Bolivian imports from 30 percent in 1988 to 24 percent in 1989.

There was little change in the makeup of U.S. exports to Bolivia. Wheat continues to be the leading export largely due to a development assistance program run by the U.S. Agency for International Development. The second largest export, jewelry, has made fantastic gains; the United States exported no jewelry in 1986, $10,000 worth in 1987, almost $1 million in 1988, and an astounding $11.5 million in 1989. Civil engineering and contractors' plant and equipment, goods in great demand during periods of economic expansion, remain the third largest export from the United States, but the value of these exports dropped 27 percent from 1988, following a 14 percent decline in 1988. This downward trend should reverse itself if the Paz Zamora administration is able to reactivate the economy.

Other leading U.S. exports that have been gradually increasing in value over the past few years and reflect Bolivia's newfound economic stability are motor vehicles for transportation of goods, mechanical handling equipment, internal combustion engines, and tractors.

U.S. Imports from Bolivia

U.S. imports from Bolivia registered a slight increase of 3 percent to $120 million in 1989. The level of imports from Bolivia has been erratic throughout the decade, depending on the international market price for its few major exports of tin, gold, wood, and ores. Tin exports continued their recovery since the tin market crashed, registering a remarkable 58 percent increase to $45.3 million in 1989.

Despite a prolonged drought, agricultural products maintain a position of relative importance. Fruits and nuts imports increased for the fourth consecutive year; coffee imports dropped from 1988, but were greater than any other year; crude vegetable materials grew from a mere $4,000 in imports in 1986 to $1.2 million in 1989. Two agricultural imports that have been declining are sugar, down from $2.9 million in 1986 to $1.4 million in 1989, and cocoa, down from $1 million to $231,000 over the same time period.

It is likely U.S. imports from Bolivia will gradually veer away from mining products because of the government's emphasis on promotion of nontraditional exports. There also will likely be an increase in manufactured goods due to recent interest in establishing maquiladora-type plants.

Bilateral Trade Balance

The United States held a trade surplus with Bolivia for the third consecutive year. However, this surplus dropped slightly from $30 million in 1988 to $24 million in 1989. The United States probably will maintain a trade surplus with Bolivia as Bolivian import demand increases and the United States continues to be the primary supplier.

BRAZIL

Total Trade Trends

Brazil's new president, Fernando Collor, unveiled a sweeping economic reform package on March 16, 1990, designed to restructure Brazil's ailing economy, including a public sector deficit exceeding $100 billion and an inflation rate approaching 2,000 percent annually.

The government's economic restructuring included a sharp reduction of liquidity in the marketplace. This dampened Brazil's foreign trade, especially imports, where compared with 1989 levels, sharp declines were registered. Further, a drop in economic activity, especially in transportation, mining, and construction; an uncertain exchange rate; and a halt to export subsidies temporarily slowed exports. They are now gaining momentum, however, owing to current high prices for commodities and a 25 percent increase in exchange rates.

The Collor package also incorporated measures to abolish non-tariff barriers. Provided implementation of these measures is administered efficiently (it began July 1), U.S. trade with Brazil will increase.

Brazil's trade performance was mixed in 1989, as exports slowed while imports surged. The trade surplus fell to $16.1 billion, well below its record level of $19.2 billion in 1988. Economic disarray hampered exports (especially the overvaluation of the cruzado), reduced export financing (caused by government budget constraints), and caused severe inflation (1,650 percent for the year). Cheaper imports also contributed to a reduced surplus. Total imports rose to $18.3 billion last year, the highest level since 1982, spurred on by some relaxation of import controls, steady industrial growth, and tariff reductions.

Total exports of $34.4 billion surpassed 1988 levels by less than 2 percent. Increases were registered for iron ore, soybeans, minerals (especially tin), chemicals, cotton, pulp and paper, and manufactured goods. These benefitted mostly from higher world prices. The increases, however, were largely offset by declines in the 1989 export earnings for orange juice, sugar, coffee, and cocoa, resulting from higher world production, weaker demand, and lower prices. Brazil lost approximately $350 million in coffee exports with the ending of the economic mechanism of the International Coffee Agreement (ICA) and the subsequent drop in world coffee prices.

Unlike 1988, when the government's policy of mini-devaluations were crucial in maintaining export competitiveness, officials did not pursue a neutral exchange rate policy for exporters in 1989. The government's "summer plan," partially designed to curb inflation, hurt exports by freezing the exchange rate and temporarily eliminating export financing. Manufacturers, especially auto, textile, and footwear, blamed their foreign exchange losses on a 25 to 40 percent overvaluation of the cruzado. Manufacturers also suffered from weaker price competitiveness caused by higher production costs, resulting from spiralling inflation. In the commodities area, some exporters held back exports due to the exchange rate gap.

The pace of Brazil's exports for 1990 and beyond will largely depend on the effectiveness of the Collor reforms in restructuring the economy. They call for cutting inflation to zero; changing the 8 percent fiscal deficit to a 2 percent surplus; privatizing parastatal enterprises; abolishing export subsidies; installing a free exchange rate; and liberalizing Brazil's restrictive trade practices.

Trade liberalization is viewed as one of the linchpins of the Collor government's goal to integrate Brazil with the market economies of its major Western trading partners. Consequently, on July 1, all non-tariff barriers (except the informatics market reserve) were abolished, including company and sectoral import quotas, the prohibited list, and nontransparent discretionary mechanisms used to restrict import licenses. Customs tariffs should henceforth be the principal instrument used to regulate imports. The result should reflect an increase in U.S.-Brazil trade flows over the next 12 months.

Additional considerations that may affect Brazil's exports in the near to medium term are the likelihood of further exchange rate changes and the possibility of a large devaluation; the limited availability of export financing; a successful privatization program; a possible 5 to 6 percent drop in world commodity prices; and the government's plan to abolish tax incentives and subsidies for exports. Over the longer term, Brazil's economic integration agreement with Argentina may help to revitalize the economy of southern Brazil, especially in the electrical machinery and chemical products sectors.

CACEX, formerly the Foreign Trade Bureau of the Bank of Brazil, forecast a drop in exports for 1990 to $33.0 billion and a trade surplus of only $10.1 billion. (The Collor regime has replaced CACEX with DECEX, a new organization housed in the Ministry of Economy.)

The actual surplus may be lower than $10.1 billion, considering the recessionary effect of the recent economic reforms. Elimination of all export tax incentives, except for existing BEFIEX contracts, will have a temporary dampening effect on exports, but ultimately the government hopes to counterbalance this effect by a free floating exchange rate. A poor soybean harvest and lower world commodity prices may result in $500 million to $600 million in lost sales. The new state value added tax (ICMS) may also dampen exports by making them more costly.

Global imports surged 25 percent in 1989, compared with 1988. The big-ticket items were machinery, other capital equipment, and raw materials. The overvalued cruzado stimulated such imports, and demand was supported by steady industrial recovery, after May. Further, local shortfalls caused increased imports of fuel and food.

In 1989, the government also reduced restrictions on many imports essential to plant modernization, especially in the chemicals, copper, textile, and auto parts sectors. Obligatory financing terms for machinery and equipment were reduced from five to two years, depending upon value. And, the import tax rate was reduced for industrial imports and eliminated for BEFIEX machinery and equipment imports.

In 1990, Brazil should experience steady increases in capital goods imports, essential to keeping exports competitive worldwide, especially textiles, footwear, steel, and machine tools. The government is already moving to inject greater liquidity into the marketplace, so that importers of intermediate and capital goods will be able to import more. Over the longer term, a further stimulant will be the Collor government's efforts to integrate Brazil's economy with major world markets.

U.S. Exports to Brazil

In 1989, U.S. exports to Brazil rose to $4.8 billion, an increase of 13 percent over 1988 levels, as the United States continued to be Brazil's primary foreign supplier. Over 52 percent of U.S. exports consisted of aircraft, organic chemicals, computers and parts, telecommunications equipment, and coal. Only aircraft and telecommunications failed to register increases over 1988. Increased leasing of large commercial aircraft accounted for much of the decline in these exports, while budget constraints, market reserves, and tariff reclassifications account for the decline in telecommunications exports.

In 1990, the United States can expect a continuing demand for its chemicals and computers, as well as capital goods needed to support Brazil's export-oriented industries. The Collor administration is expected to support continued industrial modernization through trade and investment liberalization. A strong U.S. investment presence (approximately $12 billion) represents a built-in import demand for the latest in U.S. capital equipment and leading-edge technology. In the commodities area, the United States could also benefit from up to $200 million in wheat exports, the result of last year's poor harvest in Brazil.

U.S. Imports from Brazil

In 1989, U.S. imports declined to $8.4 billion, a drop of 10 percent from 1988 levels. The decline was the largest of the decade, mostly reflecting lower imports of auto parts, orange juice, and coffee. Higher Brazilian production costs were a significant problem for auto parts; suspension of the ICA support mechanism contributed to the drop in coffee; and a lower orange harvest, accompanied by lower world prices, reduced the value of orange juice imports. In 1990, the U.S. import bill for orange juice could increase, if the current high commodity prices for oranges continue.

Bilateral Trade Balance

The $3.6 billion U.S. trade deficit reflected a 26 percent drop compared with 1988, resulting in the United States having the lowest trade deficit with Brazil since 1986. During 1990, the U.S. trade deficit could be reduced further, provided Brazil's trade liberalization is administered efficiently and expeditiously.

CARIBBEAN BASIN

Total Trade Trends

Caribbean Basin economies in general did not fare well in the 1980s, due to depressed commodity prices, high debt, and low investment. GDP, which grew at an average annual rate of 5 percent from 1961 to 1979, grew at an average rate of only 1 percent in the 1980s. Caribbean Basin export earnings declined in the 1980s at an average annual rate of about 1.5 percent, primarily due to declines in prices of export commodities such as bauxite, petroleum, coffee, and sugar.

However, there were some notable bright spots in the region. Several of the Eastern Caribbean island nations have performed relatively well due to their success in promoting tourism. In Central America, Costa Rica and Belize have capitalized on stable political environments to attract foreign investment and promote economic development. In the Caribbean Basin as a whole, increasing success in exporting manufactured goods is beginning to compensate for depressed commodity prices. For example, manufactured exports to the United States -- mainly consumer goods such as electrical components and apparel -- have more than doubled since 1984.

The United States absorbs a large and increasing share of the Caribbean Basin's exports. In 1989 the region's exports to the United States grew by 12 percent to $7.1 billion, while the region's global exports grew by 1 percent to an estimated $9.4 billion.

The Caribbean Basin Initiative (CBI), launched in 1984, provides duty free access to the U.S. market for most goods produced in the 23 beneficiary countries. Much of the growth in exports to the United States has been in goods entering under the CBI. Preferential access for Caribbean exports is also offered by the European Community (Lome) and Canada (Caribcan).

Total global imports by CBI nations increased in 1989 by 5 percent to $16.4 billion, increasing the region's merchandise trade deficit to about $7.0 billion, up from $6.3 billion in 1988. Shortages of foreign exchange brought on by consistent trade deficits and heavy debt service are likely to limit future growth in imports.

U.S. Exports to the Caribbean Basin

U.S. exports to the Caribbean Basin registered a strong 20 percent increase in 1989 to $9.4 billion. Leading markets for the United States were the Dominican Republic ($1.6 billion), Jamaica ($1 billion), Costa Rica ($880 million), and Guatemala ($660 million). Exports to CARICOM nations (the English speaking Caribbean) were particularly strong, increasing 35 percent to $2.3 billion. Exports to Central America increased by 18 percent to $2.6 billion.

Much of this growth is a reflection of the increasingly close trade ties between the United States and the Caribbean Basin, rather than of strong economic growth in the region. The U.S. share of the region's imports increased from 51 percent in 1988 to 57 percent in 1989.

Leading U.S. exports include basic agricultural products, refined petroleum products, chemicals, plastics, paper and paperboard, and electrical and industrial machinery. U.S. exporters have been particularly successful in exporting supplies and equipment to those regional economic sectors currently undergoing expansion, including agribusiness, light manufacturing (especially apparel and electronics), tourism, and other service sectors (especially data entry).

Panama and Nicaragua may also provide good opportunities for U.S. businesses. Both of these nations require a wide range of goods and services to assist in rebuilding their economies. The embargo on trade with Nicaragua has been lifted, and Panama's CBI designation has been reinstated. The U.S. Export-Import Bank has been authorized to extend up to $400 million in credits and guarantees to support U.S. exports to Panama, and President Bush has signed a congressionally approved aid package of $300 million for Nicaragua and $420 million for Panama.

U.S. Imports from the Caribbean Basin

Given that one of the primary goals of the CBI is to increase Caribbean Basin exports to the United States, the program's initial results appeared disappointing, as U.S. imports from CBI-designated countries actually declined. Most of this decline, however, was due to factors outside the scope of the CBI, notably the fall in international oil and commodity prices and tightened U.S. sugar quotas. Imports of nontraditional agricultural and manufactured products have been increasing steadily since the program's inception and are now beginning to outweigh declines in more traditional sectors.

U.S. imports from CBI countries increased for the second consecutive year in 1989, growing 12 percent to $7.1 billion. Textiles and apparel, mostly imported under the 807 (under the Harmonized System, 9802) program, continued to show strong growth, increasing 21 percent to $1.8 billion. Growth in textile imports from Central America was particularly strong, increasing 35 percent to $624 million. Significantly, other nontraditional exports from the Caribbean Basin increased at an even faster rate than textile exports, growing 28 percent to $2.2 billion. This is the first time since the inception of the CBI that growth in nontraditional non-textile exports has exceeded growth in textile exports and is an indication of the increasing diversification of the region's exports.

Trade Balance

When the CBI was introduced, there was concern in the United States that products from beneficiary countries would flood the U.S. market and result in a significant trade deficit. In fact, the opposite has occurred. In 1989, two-way trade reached $16.5 billion, with the United States enjoying a $2.4 billion surplus.

Investment Trends in the Caribbean Basin

A 1988 U.S. Department of Commerce survey found that cumulative new investment in foreign exchange generating enterprises in the Caribbean Basin during 1984-88 exceeded $1.6 billion and created more than 116,000 new jobs. In a similar survey, the International Trade Commission identified 541 new or expansion investment projects in CBI beneficiaries in 1988 alone. New investment (for 1988 alone) of $753 million was reported for 455 of these projects.

While these surveys understate actual investment in the region (since not all investors respond to them), they do reflect current trends. The greatest number of new investments have been in the agricultural and manufacturing sectors (especially electronics and apparel assembly), while the largest dollar value of new investment has been in tourism. Investments in data entry have also grown significantly.

Many of the sectors in which investment has increased the most do not directly benefit from the CBI. The region's low wage rates, proximity to the U.S. market, generous tax holidays, and liberal policies on repatriation of profits are therefore clearly significant incentives for foreign investment. All investment sectors, however, benefit from the heightened visibility that promotion of the CBI brings to the region. Also, textiles benefit indirectly from the CBI through the related 807 (HS 9802) program.

Congressional Update

Legislation enhancing the original CBI program is currently being considered by Congress. The most significant feature of the legislation (known as CBI II) is the establishment of CBI as a permanent program. (Under current legislation, CBI expires at the end of 1995.) The House of Representatives and the Senate have passed separate versions of CBI II, and final legislation is expected soon.

CBI Eligible Countries

As of March 1990, 23 countries qualify for CBI benefits. They are:

Antigua and Barbuda
Aruba
Bahamas
Barbados
Belize
British Virgin Islands
Costa Rica
Dominica
Dominican Republic
El Salvador
Grenada
Guatemala
Haiti
Guyana
Honduras
Jamaica
Montserrat
Netherlands Antilles
Panama
St. Kitts-Nevis
St. Lucia
St. Vincent and the Grenadines
Trinidad and Tobago

In addition, five other countries are eligible for CBI trade benefits but have not formally requested designation. These are:

Anguilla	Suriname
Cayman Islands	Turks and Caicos

Nicaragua (likely to request CBI status in 1990)

CHILE

Total Trade Trends

In 1989, Chile's trade sector, the most open regime in Latin America, continued the rapid growth experienced since 1985. Exports were $8.1 million, nearly 15 percent higher than in 1988; imports surged 35 percent to $6.5 billion. Since the expansion of imports exceeded export growth, the overall trade surplus, while still impressive, narrowed to $1.6 billion in 1989 compared with $2.2 billion in 1988.

Chile's exports have been spurred by sustained domestic and foreign investments in mining, agribusiness, forestry, and fisheries as well as the stable economic environment. Although Chile is expanding its export base, it is still dependent on copper exports -- a one-cent change in the average annual copper price alters export earnings by $30 million. Last year's record average price for copper ($1.29 per pound) resulted in copper exports of $4 billion (50 percent of total exports); however, the price of copper is expected to be moderately lower for 1990.

To dramatize the importance of Chile's mining sector, the National Mining Society (SONAMI) recently reported that out of $7 billion in mining projects being planned or under consideration in all of Latin America, $4 billion is for Chilean projects. In addition to Chile's continued investment in copper, other initiatives include gold, silver, coal, and nonmetallic minerals such as iodine, lithium carbonate, and potassium sulfate.

Chile has become the largest fresh-fruit exporter in the Southern Hemisphere. The sector's exports during the 1989-90 season have grown about 20 percent to 110 million boxes ($700 million). About half consists of table grapes, followed by apples, kiwis, nectarines, pears, and raspberries.

Chile is also the world's largest exporter of fish meal, utilizing sardine, anchovy, and jack mackerel. Total fish exports amounted to about $900 million in 1989, or approximately 11 percent of overall exports. Forestry is the remaining major nontraditional export sector (i.e., nonmining), accounting for about 10 percent of exports. Exports are focused on roundwood, sawnwood, pulp and paper, and boards.

Chile's import expansion in 1989 was generated by impressive economic growth of about 10 percent. The economy has averaged nearly 6 percent growth since 1984. The acceleration last year was due in part to a sharp increase in monetary supply in 1988 and to the initiation of a number of large investment projects.

Foreign investors have contributed subtantially to Chile's economic growth. According to the government's Foreign Investment Committee, authorized investments under the foreign

investment statute reached $3 billion in 1989, while actual materialized investments exceeded $1 billion. In addition, the Central Bank of Chile is analyzing another $1 billion of potential investments under debt/equity swap provisions. The United States has accounted for about half of all foreign investment.

Chile's new civilian government, led by President Patricio Aylwin, was inaugurated on March 11, replacing the military regime of General Pinochet, in power since 1973. President Aylwin's economic team is committed to maintaining the free-market model that proved so successful under the Pinochet government. The business sector remains very confident of prospects over the next few years.

The Aylwin government will continue the basic thrust of foreign trade policy -- export-led growth, a competitive exchange rate, and an open import system. For 1990, Chile should achieve a trade surplus of about $2.5 billion. Imports should be slighly lower, at about $6 billion due to more moderate economic growth of 5 to 6 percent, as the government prevents overheating of the economy and curtails inflationary pressures. Export should be about $8.5 billion, with gains in nontraditional exports compensating for the fall in copper prices.

U.S. Exports to Chile

U.S. exports to Chile surged by 32 percent in 1989 to $1.4 billion, following 34 percent growth in 1988. This growth is in line with Chile's overall import expansion, with the United States maintaining its position as the leading foreign supplier (24 percent import share). U.S. exports that supply Chile's export sector have experienced the sharpest gains, particularly mining and earthmoving equipment, transportation equipment, and agricultural chemicals. The outlook is for continued strong, albeit, slower growth in U.S. exports in 1990 to $1.5-$1.6 billion.

U.S. Imports from Chile

U.S. imports from Chile increased 13 percent in 1989 to $1.3 billion. Copper, which accounts for one-third of U.S. imports, increased 17 percent as a result of higher prices. The other leading import category -- fresh fruit -- was temporarily set back due to the poisoned grapes episode at the Port of Philadelphia. Overall, fruit imports for the year totaled $261 million, down 8 percent. The grape incident should not impede future import growth of fruit products from Chile.

Bilateral Trade Balance

U.S.-Chilean trade has been fairly balanced in recent years. The United States maintained a small surplus of $0.1 billion in 1989 (the first since 1986) as a result of the growth in U.S. exports. The balance may tilt back to Chile's favor in 1990 with the moderation of Chile's import growth.

COLOMBIA

Total Trade Trends

Despite a notable slowdown in overall economic growth brought on by tight inflation-fighting policies and the mounting costs of the drug war, Colombia's foreign trade sector continues to boom. Colombian exports posted a 14 percent increase in 1989, rising to $5.8 billion from 1988's $5.1 billion, while imports rose from $4.5 billion to $5.0 billion, an 11 percent increase. The overall trade surplus widened to $800 million.

Colombia's export sector was able to achieve this solid growth despite the well-publicized collapse of world coffee prices in July 1989. As the International Coffee Organization's second largest coffee exporter, Colombia largely compensated for lower prices with expanded volume. As a result, coffee export sales, at $1.4 billion, were off by only $106 million from 1988's level.

The petroleum and mining export sectors continue to be solid exchange earners. High international oil prices boosted petroleum revenues, offsetting the effects of continued pipeline sabotage by the most active of Colombia's numerous guerilla groups. An aggressive marketing campaign by state coal producer Carbocol resulted in a 57 percent increase in coal export sales, now the mainstay of Colombia's mining sector.

Nontraditional exports, continuing a several year trend, form an increasingly important part of the Colombian export picture. Cut flowers, paper products, textiles and apparel, and leather goods are the major success stories of the rapid diversification. Nontraditional exports now account for approximately 35 percent of total export receipts.

Colombian importers found the going a little tougher than usual this year. A sluggish economy, with GDP growth of just 3 percent, disappointed many businesspeople who have come to expect real growth rates of 4 percent or more. Imports have increased significantly, however, as a result of a comfortable foreign exchange position. This situation enabled the government to allocate almost $5 billion for imports in 1989. With daily mini-devaluations, the government has maintained the competitiveness of the Colombian peso with the currencies of major trading partners.

In 1989, Colombia received the first disbursements from the $1.7 billion "Challenger" loan, negotiated with foreign private banks in late 1988. This loan, with its predecessor "Jumbo" and "Concorde" loans, demonstrates the faith in Colombia's credit worthiness held by the international financial community. The Colombian Government has consistently managed the foreign debt well and has not sought to reschedule. As a result, trade credits have been plentiful, and the U.S. Export-Import Bank has actively participated in trade and project financing for Colombia.

Further strides in foreign investment liberalization occurred in 1989. Two important bills became law during the year: one to open up Colombia's increasingly lucrative financial sector (including insurance) to foreign investors, passed in December; and one providing explicit copyright protection to computer software, passed in June. These actions complemented the 1987 issuance of Decision 1265 (Andean Pact Decision 220), which opens virtually all sectors to foreign investment. Because of the potential positive impact on Colombian imports, the enactment of these measures bodes well for U.S. exporters.

The outlook for 1990 is more of the same. The Colombian Government will continue to emphasize inflation control in order to reach 1990's 24 percent target. Cautious monetary policy, reductions in fiscal programs to compensate for drug war expenses, and the uncertainty of coffee revenues should limit GDP growth to 2-3 percent.

The foreign trade sector should continue its vigorous expansion, however. In an effort to prepare the Colombian economy for full participation in the international economy, the Colombian Government has announced the first steps in an extensive five-year trade liberalization program known popularly as the "Apertura." On the import side, several measures to revamp the prior licensing regime have already been undertaken. Other measures affecting tariffs and import taxes will be in place shortly. Exports will be encouraged through a more accessible duty drawback system and infrastructure improvements. If fully implemented, the Apertura should ensure a significant expansion in two-way trade over the long term.

U.S. Exports to Colombia

Following on the heels of a 25 percent increase in 1988, U.S. exports to Colombia continued their healthy expansion, growing 9 percent in 1989. Total export value rose to $1.9 billion from 1988's $1.8 billion; the U.S. share of Colombia's import market increased to 40 percent. Those exports posting notable increases were automotive parts (51 percent), automatic data processing machines (31 percent) and hydrocarbons and derivatives (22 percent). Specialized machinery for Colombia's export industries also posted increases, particularly mechanical handling equipment (216 percent), and textile/leather machinery and parts (94 percent). Declines were registered in automatic data processing machinery parts (-41 percent), internal combustion piston engines (-12 percent), and several chemical categories, including organic and inorganic compounds (-33 percent) and ethylene polymers (-28 percent).

U.S. Imports from Colombia

U.S. imports from Colombia rebounded from a slight 3 percent decline in 1988 to register an 18 percent gain in 1989. The United States remains the largest recipient of Colombian products, taking approximately 44 percent of Colombia's exports in 1989. Crude oil

and oil other than crude both posted significant increases (42 and 14 percent respectively), while imports of several nontraditional products improved significantly. These include sugar (254 percent), plastics (170 percent), coal (85 percent), and footwear (42 percent).

With the decline in coffee prices, the 1989 value of coffee imports from Colombia fell by 12 percent. The United States also imported fewer leather goods (-7 percent), and fruits and nuts (-4 percent).

Bilateral Trade Balance

Due to the significant recovery in Colombian exports to the United States, the U.S. trade deficit widened to $633 million from 1988's $410 million. Total two-way trade increased from $4.1 billion in 1988 to $4.5 billion in 1989. U.S. exports should begin reaping the benefits of the Apertura in 1990 and thus should maintain a healthy growth rate despite the Colombian economy's overall sluggishness.

ECUADOR

Total Trade Trends

The Ecuadorian foreign trade sector continued to rebound in 1989, following 1988's remarkable export recovery. Higher petroleum revenues buoyed exports, which increased 7 percent, from $2.2 billion to $2.4 billion. Despite the general slowing of economic activity, import demand continued apace in 1989, with imports rising to $1.9 billion from 1988's $1.5 billion, an 11 percent increase. With the higher rate of growth in imports, Ecuador's trade surplus narrowed to $445 million in 1989.

Petroleum remains the major export earner for Ecuador, accounting for approximately 50 percent of 1989's export revenues. Total oil export receipts increased 8 percent on the strength of substantially improved international prices. Volumes, however, suffered a sharp cutback. This occurred as a result of overexploitation of wells in 1988, following the devastating losses that the petroleum industry incurred in the March 1987 earthquake. At the same time, recent explorations have discovered new reserves that are less than 25 percent of what the Ecuadorian Government had anticipated. Labor relations in this area have proven to be contentious; the October governmental takeover of Ecuador's only pipeline (previously run by Texaco) sparked a strike and the loss of $8 million in potential exports. Continued labor problems and dwindling proven reserves are serious impediments to petroleum's continued dominance as Ecuador's major export.

Two other top traditional sources of foreign exchange, shrimp and cocoa, also experienced declines in 1989, affected by declining world prices and soaring production costs. Banana and coffee exports, also hit by these same problems, increased on the strength of sales in the first part of the year. Nontraditional exports remain a marginal part of overall exports (approximately 5 percent).

Overall economic demand stagnated in 1989 (0.5 percent GDP growth, following 1988's petroleum-driven 8 percent). This resulted from the imposition of strict economic austerity measures. Nevertheless, importers benefitted from access to a larger pool of dollars, the maintenance of a competitive exchange rate, and several other import-enhancing measures. Ecuador's foreign exchange position, negative at the installation of the Borja government, stood at just over $200 million by year-end 1989. Weekly devaluations of the sucre in line with inflation have resulted in a minimal spread between the official and parallel exchange rates. A ban placed on all capital goods imports unless financed abroad (in effect to conserve dollars) was rescinded in late 1989, while prior deposit requirements for foreign exchange licenses were also eased.

Encouraged by Ecuador's enhanced foreign exchange situation, the governmental economic team made significant efforts towards developing warmer relations with the international financial community. A Paris Club agreement, reached in October, reschedules

principal and interest on official bilateral credits falling due in 1990. The government also cleared its arrearages with the multilateral financial institutions in 1989, and both the World Bank and the Inter-American Development Bank have resumed disbursements. A letter of intent to the International Monetary Fund (IMF) was signed in August 1989, with the IMF Board subsequently approving a program lasting through December 1990.

Improving relations with commercial bank creditors has proven to be more arduous. Since January 1987, Ecuador has made only limited and occasional payments to service its commercial bank debt and by mid-1989 had registered approximately $1.2 billion in arrearages. In a move to collect, Citibank seized $80 million in Ecuadorian assets in May. Despite recriminations against Citibank, the government resumed partial debt service in June. The Ecuadorian Government has held several meetings with its commercial bank creditors to review debt reduction options, as Ecuador seeks to be included in the Brady Plan. Due to Ecuador's difficulties with the commercial banks, trade credits are scarce, and the U.S. Export-Import Bank is open for only limited, short-term credits.

Although recognizing the crucial role that foreign investment will play in Ecuador's economic future, the Borja government still lacks a coherent plan for encouraging such investment. However, several measures have been undertaken, most notably a complete overhaul of the tax regime with an eye towards simplification. A new mining code that will encourage rapid exploration and development of resources by both domestic and foreign investors is also in the works. A complicated labor code and lack of resolution in the Texaco and Emelec takeover cases remain strong disincentives for foreign investors, however.

A long period of austerity still lies ahead for Ecuador. Inflation control (with the goal of bringing the rate down to 30 percent from 1988's 55 percent), government deficits, and concrete solutions to the foreign debt problem will be uppermost in the minds of President Borja's economic advisors. GDP growth should be a modest 2 to 3 percent.

Ecuador should continue to make slow but steady progress in trade reform. In addition to the import measures already taken, a revision of the tariff schedule is planned in 1990. On the export side, the elimination of the advance export license requirement and the fines for late deposit of foreign currency should boost Ecuadorian exports.

U.S. Exports to Ecuador

Although the United States remains Ecuador's principal supplier with an import market share of 35 percent, total U.S. exports declined by 6 percent in 1989. Total export value fell to $641 million from 1988's $680 million. Decreases were registered in a number of traditional areas for U.S. equipment suppliers, still restricted by the Ecuadorian requirement necessitating outside financing for

capital goods imports: civil engineering and contractors' equipment (-64 percent), telecommunications equipment (-34 percent), and automated data processing machinery (-31 percent). Another capital item, mechanical handling equipment, did register a significant increase (101 percent), as did aluminum (369 percent). U.S. auto parts exporters continue to do well, due to the import prohibition on fully assembled vehicles; parts exports increased 95 percent in 1989. Agricultural exports of wheat and rice also rose, 8 percent and an exponential 1,680 percent, respectively.

U.S. Imports from Ecuador

On the strength of increased demand and higher prices for crude oil, U.S. imports from Ecuador registered $1.5 billion in 1989, a substantial 21 percent increase over 1988's $1.2 billion. The United States is Ecuador's most important export customer, with its 1989 share jumping 10 percentage points (to 66 percent).

U.S. imports from Ecuador continue to be concentrated in primary goods, although several nontraditional items demonstrate some promise. Imports of crude oil rose by 99 percent, while fruits and nuts registered a 19 percent gain. Coffee, on a downward trend over the past several years, recovered slightly, posting a 4 percent gain. In the nontraditional area increases were registered in several textile categories (including women's and girls' coats at 102 percent), glassware (75 percent), and iron and steel wire (62 percent).

The decline in production clearly hurt U.S. shrimp imports from Ecuador, which fell by 19 percent in 1989. Other decreases included nonmonetary gold (-45 percent) and cocoa (-19 percent).

Bilateral Trade Balance

Reversing a four-year trend, the 1989 U.S. trade deficit with Ecuador widened to $843 million from 1988's $551 million, on the strength of substantially boosted Ecuadorian imports. Two-way trade increased from $1.9 billion in 1988 to $2.1 billion in 1989. With both import- and export-enhancing measures being undertaken by the Borja government, the foreign trade sector should continue to expand despite the limited overall growth of the Ecuadorian economy.

MEXICO

Total Trade Trends

The Mexican economy is emerging from seven years of low economic growth and high inflation to a period of optimism and increased business confidence. This has been achieved through a program of economic reform that is reducing the Government's role in the economy as well as opening the economy to international competition.

Since 1987, when consumer price inflation reached nearly 160 percent, the top priority for the Mexican Government has been to reduce and control inflation. In December of that year, the Economic Solidarity Pact (the "Pact") was announced. The Pact combined strict fiscal and monetary policies, wage and price controls, and an exchange rate policy that allowed the peso to significantly appreciate in real terms against the dollar, making imports less expensive.

The Pact and its successor, the Pact for Stability and Economic Growth, have succeeded in reducing inflation. Consumer price inflation was brought down to 52 percent in 1988 and lowered to 20 percent in 1989.

Progress on the inflation front has not been without cost. Price controls are pressuring profit margins. Cutbacks in discretionary government spending are seriously affecting the country's infrastructure. High real rates of interest, needed to support the exchange rate of the peso, are constricting domestic investment and, hence, constraining economic growth.

The appreciation of the peso, combined with the reduction of trade barriers, caused imports to surge by 55 percent from $12.2 to $18.9 billion during 1988. The flow did not abate in 1989, as imports increased by 24 percent to $23.4 billion despite a small devaluation of the peso in real terms.

Mexico's imports consist primarily of intermediate goods, approximately 65 percent) and capital goods (approximately 20 percent). The strength of these imports shows increased investor confidence in Mexico on the part of its businesses community. However, consumer goods now account for a growing share of Mexico's import bill. In 1989, consumer goods were about 15 percent of Mexico's total imports. In 1987, their share was 6 percent; in 1988, 10 percent. Demand for consumer goods, particularly agricultural products, should remain strong, benefitting U.S. exporters.

Mexico's efforts to diversify its exports away from reliance on petroleum have been a success. Nonpetroleum products now

account for approximately two-thirds of Mexico's exports, while petroleum products account for the remaining third. In contrast, in 1983 the product mix was the reverse.

The maquiladora or in-bond industry continues to be a success story in Mexico. This program allows foreign manufacturers to ship components into Mexico duty-free for assembly and subsequent reexport. This sector employs over 400,000 people in nearly 1,600 plants and generates approximately $3 billion in net revenues, making it Mexico's second largest source of foreign earnings.

In 1989, Mexico's trade balance was $645 million in deficit. Mexican merchandise trade statistics do not include maquiladora trade. These transactions are placed in their services account. In contrast, U.S. trade statistics include components that are exported to this industry and the goods that are returned to the United States.

U.S. Exports to Mexico

Following a 42 percent growth rate in 1988, U.S. exports grew by 21 percent in 1989, to almost $25 billion. U.S. exports to Mexico have doubled since 1986, reflecting the opening of the Mexican market as well as the beginning of economic recovery. Mexico is the United States' third largest export market, and one of the United States' fastest growing markets, as well.

Totaling $11.3 billion, machinery and transportation equipment dominate U.S. exports to Mexico. Parts and accessories for motor vehicles are the major component of this sector totaling $2.6 billion. Exports destined for the automobile sector have grown from $1.1 billion in 1986, due to expanded production of vehicles in Mexico, both for export and domestic consumption.

Poor harvests and policies which discourage production of agricultural products have allowed U.S. exporters of agricultural products to increase their sales to Mexico. At $570 million in 1986, exports of food and live animals totaled $2 billion in 1989. Major exports include cereals (particularly corn and sorghum) meat, dairy products and vegetables.

U.S. Imports from Mexico

U.S. imports from Mexico reached a record $27.2 billion in 1989, an increase of nearly $4 billion from 1988, and approximately $10 billion from 1986. The increase in imports from Mexico can be attributed to higher petroleum prices and Mexico's successful efforts to establish a competitive manufacturing sector.

Manufactured goods dominated U.S. imports from Mexico in 1989. At $17.5 billion, U.S. imports of these products have grown from $9.4 billion in 1986. In 1989, U.S. imports from Mexico of manufactured goods exceeded U.S. imports of all products from Mexico in 1986. The flow of these manufactured goods continues, despite currency valuations that have increased the cost of Mexican-made products. Machinery and transportation equipment dominate this trade, particularly motor vehicles and parts.

In 1989, the United States imported $4 billion of crude petroleum from Mexico. This $1.2 billion increase (30 percent of the total increase of U.S. imports from Mexico) was caused by higher prices for petroleum during 1989. Crude petroleum is the United States' largest single import from Mexico. In 1989, Mexico was the number three beneficiary of the United States' demand for imported oil.

Agricultural imports continue to be an important element of U.S. trade with Mexico. U.S. imports of these products totaled $2.4 billion in 1989 and were led by vegetables, shrimp, and coffee. In general, U.S. imports of agricultural products have remained somewhat static since 1986.

Bilateral Trade Balance

The United States ran a $2.2 billion merchandise trade deficit with Mexico in 1989. This was an improvement over the $2.9 billion deficit in 1988 and the $5.7 billion deficit in 1987. Increased costs of petroleum, from an average $12.17 per barrel in 1988 to $15.71 in 1989, are an important factor in the deficit.

During 1990, the deficit should continue to narrow. On the import side, crude petroleum imports from Mexico may decline, due to increased demand in Mexico for petroleum and the end of shipments to the United States Strategic Petroleum Reserve. On the export side, we should see further increases in U.S. exports of machinery and primary goods as the Mexican economy continues to grow.

PARAGUAY

Total Trade Trends

Paraguay's global trade balance continued to improve in 1989, which marked the third year of declining trade deficits. The deficit dropped from $200 million to $70 million, reflecting a sharp increase in exports and a relatively modest increase in imports.

Exports rose by about $300 million to $1,149 million in 1989. Paraguay's exports are heavily influenced by the trends in the world prices and weather conditions for cotton and soybean production. The 1988-89 growing season was remarkably good, and world prices were strong for these products. As a result, global exports of these two products grew by over $400 million. Also, beef exports increased to $100 million from about $20 million, as new markets in Europe opened and improved facilities to store and handle higher grade beef cuts were introduced. In addition, electricity export payments (from Brazil) became significant in 1989, reaching $230 million; they should increase further when the joint Argentine/Paraguay Yacyreta dam project comes onstream.

Imports showed an increase of about 10 percent to about $1,220 million. There were marked increases in capital and consumer goods imports, reflecting in part progress in the construction of the joint Argentine/Paraguayan Yacyreta dam project. Consumer goods imports of automobiles, auto parts, and paper products were particularly strong. Modest liberalization of the import regime by the new government provided some of the impetus to this growth.

After the overthrow of the Stroessner regime and the subsequent 1989 democratic elections, the new government made some positive economic policy changes. The multiple exchange rate system was changed to a unified market-based rate and some simplifications of the trade regime and tariff rate structure were introduced. These actions were encouraging indications of the government's efforts to liberalize the country's economic structure.

Prohibitions on several imported items were lifted, but a significant number of items remain on the prohibited list. Tariffs on some imports were reduced (to a flat 10 percent for imports from neighboring countries and 7 percent for items related to tourist trade). Capital goods imports for projects eligible for incentives under the new liberalized investment code approved in April 1989 are now exempt from import duties. However, the average tariff rate remains fairly high (about 45 percent) and the tariff rate range remains quite wide.

The outlook for 1990 and beyond appears generally positive. The macroeconomic environment should continue to improve, as the government moves to correct growing fiscal deficits and deal with potential inflationary pressures. The fairly liberal foreign investment law offers encouragement to foreign investors and should offer good investment opportunites. Exports are expected to grow more modestly than in 1989, and the growth in imports will be slower.

U.S. Exports to Paraguay

After two years of growth, U.S. exports decreased from $193.7 million to $166.7 million in 1989, reflecting primarily a significant contraction in machinery and transport equipment and modest declines in telecommunications equipment and consumer goods exports. In other product lines, such as automatic data processing equipment and tobacco items, there were export increases. In 1990, we expect some recovery in exports in telecommunications equipment and machinery and transport equipment.

U.S. Imports from Paraguay

Over the last three years, U.S. imports have registered increases, and in 1989 the increase was 24 percent. Approximately two-thirds of U.S. imports are manufactured products. The most important imported products are women's coats and capes, leather, veneers and plywood, and men's and boys' coats and jackets.

Bilateral Trade Balance

The United States ran a small surplus with Paraguay of about $100 million in 1989. This surplus was smaller than that registered in 1988 of approximately $157 million. A slight increase in imports and a drop in exports explained the resulting smaller surplus with Paraguay. In 1990, there should be a small increase in the surplus to about $165 million.

(Note: Global Paraguayan trade data are based on estimates that are very uncertain.)

PERU

Total Trade Trends

Peru finished 1989 with a trade surplus of over $1 billion, its first trade surplus since 1985. Exports surged 32 percent to $3.55 billion while imports dropped 26 percent to $2.0 billion. Peru is in its second year of extreme economic difficulties, which have depressed domestic demand, thus forcing Peruvian producers to target export markets.

Peru continues to struggle with its worst economic crisis in recent history. Year-end inflation settled at 2,775 percent after reaching a midsummer peak of over 5,000 percent. Hyperinflation was one of the principal causes of the 12 percent decline in the gross domestic product. The decline was featured by plummeting consumption, increased capital flight, and low levels of investment and imports. It is not likely Peru will offer an attractive import market until the new government implements policies that address the structural causes of this hyperinflationary recession (for example, price controls, subsidies, and persistent fiscal deficits) and not merely the symptoms.

The government's foreign exchange policies have played a key role in the structural imbalances that led to the present economic crisis. The inti is usually worth considerably more in terms of the U.S. dollar at the official rate than at the parallel rate. For example, in October 1989, the inti was worth 25 percent more at the official rate. The Peruvian exporter thus obtained intis at the lower official rate from the Central Bank, whereas, the importer paid for dollars at the higher parallel rate for most imported products. The government has attempted to rectify this imbalance by allowing more imports entry at the official rate, but many still must be purchased at the parallel rate.

President Garcia's refusal to service the international debt has isolated Peru from the international financial community. Thus, it is virtually impossible for foreign companies to obtain trade credits when trading with Peru. In response to this situation, the government announced in 1988 its support for countertrade and debt-for-product transactions. The latter amounted to little in 1989, but there have been numerous countertrade transactions, and interest in this type of trade has been growing.

On July 28, 1990, Peru's newly elected President Alberto Fujimori was inaugurated. The new government has yet to present its economic plan or stabilization program to extract Peru from its current dire economic situation. However, the President-elect has expressed the need for Peru to repay its foreign debt and has held preliminary meetings with officials from the United Nations, International Monetary Fund, World Bank, and Inter-American Development Bank to discuss Peru's economic problems.

U.S. Exports to Peru

U.S. exports to Peru declined 13 percent to $690 million in 1989, reflecting lower import demand by Peru. However, the United States remains Peru's primary supplier, capturing a typical 28 percent of the market.

The composition of U.S. exports has shifted with manufactured goods registering the greatest decline, and basic foodstuffs and essential agricultural inputs accounting for the greatest increases. Refined petroleum products are still the principal U.S. export in volume terms, but their value declined 24 percent in 1989. Wheat exports declined 37 percent in value from their exceptionally high level of $82 million in 1988, but were still 38 percent above 1986 and 1987 levels. Rice exports jumped from almost $6 million in 1988 to over $37 million last year. Civil engineering and contractors' plant and equipment and aircraft equipment registered their third consecutive year of decline.

U.S. Imports from Peru

U.S. imports from Peru jumped 24 percent to $815 million last year, mainly because of higher petroleum prices. The United States continued to be Peru's principal market, accounting for 23 percent of Peru's exports.

Refined oil products amounted to $175 million and continued to be the main U.S. import. Jewelry imports surged 56 percent to $118 million. Coffee imports rose slightly despite plunging prices on the world market. Copper imports declined from $65 million in 1988 to $59 million in 1989.

Bilateral Trade Balance

The United States had a trade deficit with Peru of $125 million in 1989, the first deficit since 1986. This was largely due to constrained domestic consumption resulting from the economic crisis compounded by a lack of trade credits and restrictive import policies. It is likely that Peruvian consumption levels will remain depressed resulting in a trade deficit again in 1990.

URUGUAY

Total Trade Trends

According to preliminary Central Bank figures for 1989, Uruguayan exports increased 14 percent to $1.6 billion, while imports grew 2 percent to $1.2 billion. The trade surplus of $403 million is a record amount.

Drought conditions in Uruguay during 1989 had a strong effect on exports, both positive and negative. Exports of beef, live animals, and animal products rose by about 50 percent as livestock producers reduced their herds. A decline in rice and oilseed exports reflects the decrease in production resulting from the drought. On the other hand, the drier climate improved wheat production and led to higher exports. Exports of textile, wool, and leather products benefitted from continued strong markets in developed countries as well as the absence of local strikes. Overall, economic growth was minimal, with GDP increasing only 0.5 percent.

The drought had an important impact on imports as well. Increased fuel oil imports were required to generate electricity due to the slack in hydroelectric power. Petroleum imports also increased because of the rise in gasoline consumption primarily from heavy tourism. Crude oil imports increased 24 percent to $139 million. Not including petroleum products, imports declined by 1 percent, reflecting sluggish consumer demand for power and problems in some import-substitution industries.

Uruguay's new government, headed by President Luis Lacalle was inaugurated on March 1. This administration is likely to continue the liberal trade policies followed in recent years. President Lacalle's highest economic priority will be to fight inflation, which reached 89 percent in 1989 (the highest rate in 15 years). Emphasis will be on reducing the fiscal deficit through spending cuts and revenue increases, as well as through a privatization program of state companies (for example, the telecommunications company).

U.S. Exports to Uruguay

U.S. exports to Uruguay grew by 34 percent in 1989 to $133 million, significantly outpacing the two leading suppliers, Brazil and Argentina. Petroleum products led the way, tripling to $9 million. Fertilizers also showed large gains as did exports of electronic products such as computers and telecommunications. The drought also benefitted U.S. exporters as local livestock producers increased their imports of seeds to improve pastures.

U.S. Imports from Uruguay

Although total U.S. imports from Uruguay in 1989 fell 20 percent to $218 million, if nonmonetary gold transactions are discounted, U.S. imports actually increased 22 percent to $210 million (nonmonetary gold imports dropped from $102 million in 1988 to $8 million last year). Most of the increase in U.S. imports came from textiles, apparel, and footwear, as well as $11 million in transactions of silver and platinum metals.

Bilateral Trade Balance

Including the nonmonetary gold transactions, the United States ran a trade deficit with Uruguay of $85 million in 1989 compared with $175 million in 1988. Excluding these special imports, the U.S. deficit was $77 million in 1989 and $73 million in 1988.

VENEZUELA

Total Trade Trends

Venezuela's trade accounts scored a dramatic improvement in 1989. Initial estimates are that Venezuela registered a trade surplus of $5.3 billion on exports of $12.2 billion and imports of $6.9 billion, a substantial swing from the $1.3 billion deficit of 1988. The current account also improved and may have registered a slight surplus.

Petroleum's share in total exports declined to 76 percent compared with 84 percent in 1988, reflecting impressive gains made by the non-oil sectors. Non-oil exports amounted to an estimated $2.9 billion. The private sector's share was $1.2 billion, up 82 percent. The surge in non-oil exports is due largely to the sharp drop in local consumption causing Venezuelan firms to focus more on foreign markets and a realistic exchange rate for exports together with government export incentives, for example, a tax rebate on exports.

Meanwhile, total imports declined by some 40 percent to $6.9 billion as the economy adjusted to remove demand in excess of the economy's supply capability. Consumers, business, and government all reduced demand in varying degrees. With inflation at 81 percent and salaries and wages not rising proportionately, many consumers were forced to reduce their living standards; business investment expenditures also declined; and in the government sector, there was a dramatic reduction in the fiscal deficit with a sharp reduction in capital expenditures.

Since early 1989 the Venezuelan economy has been undergoing dramatic and unprecedented economic reforms. These call for a market-oriented approach, stressing efficiency to make Venezuelan goods more competitive at home and in international markets. Restrictions on trade and foreign investment have been substantially liberalized. Venezuela is to be less dependent on oil and is to diversify non-oil exports. Most foreign investors are now welcome, especially those that help increase exports. Government is to play a lesser role in the economy and plans to pursue a program of privatization.

Past government policy protected consumers and industry alike through complex restrictions on imports, subsidized foreign exchange rates, controls on prices and interest rates as well as through a host of subsidies. Although growth rates were up in 1987 and 1988, the cost to the economy of these policies was high. The proceeds from oil exports could no longer provide sufficient resources to avoid severe imbalances in the nation's internal and external accounts as oil prices softened and foreign commercial bank lending dried up. When the current administration took office in February 1989, it found foreign exchange reserves severely decimated; inflation at 35 percent; the fiscal deficit equal to a huge 9 percent of GDP, and a record current account deficit of $4.7 billion.

The new government moved quickly to institute long needed reforms. In March, the official exchange rate was adjusted upward from an unrealistic Bolivars 14.50 per dollar to the Bs.37-39 per dollar range. In addition to setting a free floating exchange rate, the government overhauled the complex import control system. By early 1990, some 85 percent of the quantitative import restrictions on manufactured goods had been eliminated. Virtually all restrictions are to be removed by the fall of 1990 (except certain luxuries and goods deemed dangerous to health and national security).

To give industry breathing room to adjust to foreign competition, the government set the maximum import tariff at 80 percent (mostly applicable to consumer goods) with subsequent reductions programmed. In May 1990, the top tariff is to be 50 percent, with annual reductions of 10 percentage points occurring each year until the maximum rate reaches 20 percent by 1993.

Venezuela applied for accession to the General Agreement on Tariffs and Trade in 1989, reflecting its outward looking policies and its interest in becoming a more active player in international trade.

The reforms were not without cost. The huge 61.7 percent devaluation of the Bolivar in terms of the U.S. dollar sent the economy into sharp reverse. By the end of the year, GDP had declined an estimated 8-10 percent; inflation rose an unprecedented 81 percent due to devaluation and poor crops; consumption spending was off 40-80 percent depending on the sector as incomes failed to keep up with the rise in the price level; imports, manufacturing, and construction were particularly hard hit; and unemployment rose. The large international debt remained to be settled with foreign bank creditors.

And yet there were hopeful signs. The reforms received the support of the International Monetary Fund (IMF) and the World Bank. In June 1989, the Venezuelan Government negotiated a three-year $5 billion extended fund facility with the IMF. Also, the World Bank approved two large structural loans totaling some $750 million and disbursements began in the final quarter of 1989. In addition, a major improvement occurred in the external accounts and international reserves, and there were initial signs that the economy was stablizing.

<u>U.S. Exports to Venezuela</u>

U.S.exports to Venezuela declined by an estimated 34 percent in 1989 due to the contraction in the Venezuelan economy. At $3 billion, U.S. exports were at their lowest level since 1983 in nominal dollars.

The implications for U.S. trade posed by the reforms are manifold. The Government of Venezuela has scrapped the import substitution model. U.S. suppliers will be able to compete in the long-protected consumer goods sectors as quantitative restrictions are eliminated and import tariffs decline.

Since there is an emphasis on increasing exports from Venezuela, U.S. suppliers are in a good position to provide industrial materials and semifinished goods that can be processed into finished articles for export. Venezuela is considering setting up "maquiladora" or "in-bond" operations and has issued regulations for drawback provisions.

In the current competitive climate, the market now offers opportunities for exports of a wide range of cost-cutting machinery and equipment.

The liberal foreign investment environment should bring with it increased trade opportunities in the following sectors: petroleum, petrochemicals, aluminum and steel, mining (coal and gold), and agriculture.

The liberalization of trade and investment poses a challenge to U.S. business. U.S. competitors in Europe and Japan are intensifying their competition and are making inroads on the still strong U.S. market share (about 40 percent). This implies renewed efforts are needed by existing U.S. participants in the market; firms that have hitherto not paid attention to the market should now focus on it.

After the current adjustment period, it is expected that imports will pickup again. Venezuela will continue to be the third or fourth largest market for imports in the Western Hemisphere in 1990.

U.S. Imports From Venezuela

U.S. imports from Venezuela rose a dramatic 31 percent in 1989 to $6.8 billion. Oil and oil products accounted 88 percent of the total. Other major imports included aluminum, iron ore and concentrates, and shellfish.

Bilateral Trade Balance

The contraction of the economy and the collapse of imports, together with improved international prices for Venezuela's petroleum exports were the principal factors leading to a $3.8 billion deficit in the U.S. trade balance with Venezuela. With economic growth in the zero to 2 percent range forecast by many observers for 1990, U.S. exports should rebound moderately. Meanwhile, U.S. imports should also remain strong, and the United States will again have a deficit with Venezuela, although on a smaller scale than in 1989.

Appendix A

Latin American Global Trade and U.S. Latin American Trade Tables

Note: For Latin American Trade with the World (prior to 1989), we utilize the IFM International Financial Statistics Country Trade Data, line 77. While this may vary somewhat from previously used statistics, we have found that, over time, this series most closely approximates reported country data.

TABLE 1.-Summary of Latin America's Trade with the World 1)
(US$ Billions; Imports F.O.B.; Exports F.O.B.)

	1981			1986			1987			1988			1989 Estimate		
	EXP	IMP	BOT	EXP	IMP	BOT	EXP	IMP	BOT	EXP	IMP	BOT	EXP	IMP	BOT
ARGENTINA	9.1	8.4	0.7	6.9	4.4	2.4	6.4	5.4	1.0	9.1	4.9	4.2	9.5	4.0	5.5
BOLIVIA	0.9	0.8	0.1	0.5	0.6	-0.1	0.5	0.6	-0.1	0.5	0.6	0.0	0.7	0.6	0.1
BRAZIL	23.3	22.1	1.2	22.3	14.0	8.3	26.2	15.1	11.2	33.8	14.6	19.2	34.4	18.3	16.1
CHILE	3.9	6.5	-2.6	4.2	3.1	1.1	5.2	4.0	1.2	7.1	4.8	2.2	8.1	6.5	1.6
COLOMBIA	3.2	4.7	-1.6	5.3	3.4	1.9	5.7	3.8	1.9	5.2	4.5	0.6	5.8	5.0	0.8
ECUADOR	2.5	2.4	0.2	2.2	1.6	0.6	2.0	2.1	0.0	2.2	1.6	0.6	2.3	1.9	0.4
PARAGUAY	0.4	0.8	-0.4	0.2	0.7	-0.5	0.4	0.6	-0.2	0.9	1.1	-0.2	1.1	1.2	-0.1
PERU	3.2	3.8	-0.6	2.5	2.6	-0.1	2.7	3.2	-0.5	2.7	2.8	-0.1	3.6	2.5	1.1
URUGUAY	1.2	1.6	-0.4	1.1	0.8	0.3	1.2	1.1	0.1	1.4	1.1	0.3	1.6	1.2	0.4
VENEZUELA	20.0	12.1	7.8	9.1	7.9	1.3	10.6	8.8	1.7	10.2	11.6	-1.3	12.2	6.9	5.3
SOUTH AMERICA	67.8	63.2	4.5	54.4	39.2	15.2	60.8	44.6	16.2	73.1	47.6	25.5	79.3	48.1	31.2
MEXICO 3)	20.1	23.9	-3.8	16.0	11.4	4.6	20.7	12.2	8.4	20.7	18.9	1.8	22.8	23.4	-0.6
CARIBBEAN BASIN 4)	15.7	21.2	-6.4	9.7	13.2	-3.5	9.9	15.6	-5.7	9.3	15.6	-6.3	9.4	16.4	-7.0
TOTAL LATIN AMERICA	103.6	108.4	-4.8	80.2	63.8	16.3	91.3	72.4	18.9	103.1	82.1	21.0	111.5	87.9	23.6

Notes: 1) Total figures and percentage changes are calculated from actual not rounded data.
2) Data for 1989 are U.S. Department of Commerce (USDOC) estimates.
3) Mexican trade statistics do not include in-bond and nonmonetary gold/silver transactions.
4) Caribbean Basin includes Central America, Caribbean Islands, Guyana, and Suriname; Caribbean Basin data are USDOC estimates for all years.
5) Paraguayan data derived from balance-of-payment information (including estimates of unregistered exports/imports).

Source: Foreign Government, International Monetary Fund Statistics IFS Series 77.

Table 2.-- Latin America's Exports to the World 1)
(US$ Billions F.O.B)

	1981	1985	1986	% Chg	1987	% Chg.	1988	% Chg.	Estimated 1989	% Chg.
ARGENTINA	9.1	8.4	6.9	-18	6.4	-7	9.1	44	9.5	4
BOLIVIA	0.9	0.6	0.5	-12	0.5	-5	0.5	5	0.7	34
BRAZIL	23.3	25.6	22.3	-13	26.2	17	33.8	29	34.4	2
CHILE	3.9	3.8	4.2	10	5.2	25	7.1	34	8.1	15
COLOMBIA	3.2	3.7	5.3	46	5.7	6	5.2	-9	5.8	12
ECUADOR	2.5	2.9	2.2	-25	2.0	-8	2.2	9	2.3	7
PARAGUAY	0.4	0.3	0.2	-23	0.4	51	0.9	155	1.1	22
PERU	3.2	3.0	2.5	-15	2.7	5	2.7	1	3.6	32
URUGUAY	1.2	0.9	1.1	27	1.2	9	1.4	19	1.6	14
VENEZUELA	20.0	14.7	9.1	-38	10.6	16	10.2	-3	12.2	19
SOUTH AMERICA	67.8	63.8	54.4	-15	60.8	12	73.1	20	79.3	8
MEXICO 3)	20.1	21.7	16.0	-26	20.7	29	20.7	0	22.8	10
CARIBBEAN BASIN 4)	15.7	11.0	9.7	-12	9.9	2	9.3	-6	9.4	1
TOTAL LATIN AMERICA	103.6	96.5	80.2	-17	91.3	14	103.1	13	111.5	8

Notes: 1) Total figures and percentage changes are calculated from actual not rounded data.
2) Data for 1989 are U.S. Department of Commerce (USDOC) estimates.
3) Mexico trade statistics do not include in-bond and nonmonetary gold/silver transactions.
4) Caribbean Basin includes Central America, Caribbean Islands, Guyana, and Suriname; Caribbean Basin data are USDOC estimates for all years.
5) Paraguayan data derived from balance-of-payment information (including estimates of unregistered exports).

Source: Foreign Government, International Monetary Fund Statistics IFS Series 77.

Table 3.-- Latin America's Imports from the World 1)
(US$ Billions F.O.B)

	1981	1985	1986	% Chg.	1987	% Chg.	1988	% Chg.	Estimated 1989	% Chg.
ARGENTINA	8.4	3.5	4.4	25	5.4	22	4.9	-9	4.0	-18
BOLIVIA	0.8	0.5	0.6	29	0.6	8	0.6	-9	0.6	4
BRAZIL	22.1	13.2	14.0	7	15.1	7	14.6	-3	18.3	25
CHILE	6.5	3.0	3.1	5	4.0	29	4.8	21	6.5	34
COLOMBIA	4.7	3.7	3.4	-7	3.8	11	4.5	19	5.0	11
ECUADOR	2.4	1.6	1.6	1	2.1	26	1.6	-21	1.9	18
PARAGUAY	0.8	0.6	0.7	28	0.6	-18	1.1	83	1.2	9
PERU	3.8	1.8	2.6	44	3.2	23	2.8	-14	2.5	-9
URUGUAY	1.6	0.7	0.8	21	1.1	33	1.1	3	1.2	4
VENEZUELA	12.1	7.5	7.9	4	8.8	12	11.6	31	6.9	-40
SOUTH AMERICA	63.2	36.0	39.2	9	44.6	14	47.6	7	48.1	1
MEXICO 3)	23.9	13.2	11.4	-13	12.2	7	18.9	55	23.4	24
CARIBBEAN BASIN 4)	21.2	15.7	13.2	-16	15.6	18	15.6	0	16.4	5
TOTAL LATIN AMERICA	108.4	64.9	63.8	-2	72.4	14	82.1	13	87.9	7

Notes: 1) Total figures and percentage changes are calculated from actual not rounded data.
2) Data for 1989 are U.S. Department of Commerce (USDOC) estimates.
3) Mexico trade statistics do not include in-bond and nonmonetary gold/silver transactions.
4) Caribbean Basin includes Central America, Caribbean Islands, Guyana, and Suriname; Caribbean Basin data are USDOC estimates for all years.
5) Paraguayan data derived from balance-of-payment information (including estimates of unregistered imports).

Source: Foreign Government, International Monetary Fund Statistics IFS Series 77.

TABLE 4.-- Summary of U.S. Trade with Latin America 1)
(US$ Billions; Total Exports F.A.S.;General Imports Customs Value)

	1981			1986			1987			1988			1989		
	EXP	IMP	BOT	EXP	IMP	BOT	EXP	IMP	BOT	EXP	IMP	BOT	EXP	IMP	BOT
ARGENTINA	2.2	1.1	1.1	0.9	0.9	0.1	1.1	1.1	0.0	1.1	1.4	-0.4	1.0	1.4	-0.4
BOLIVIA	0.2	0.2	0.0	0.1	0.1	0.0	0.1	0.1	0.0	0.1	0.1	0.0	0.1	0.1	0.0
BRAZIL	3.8	4.5	-0.7	3.9	6.8	-3.0	4.0	7.9	-3.9	4.2	9.3	-5.1	4.8	8.4	-3.6
CHILE	1.5	0.6	0.9	0.8	0.8	0.0	0.8	1.0	-0.2	1.1	1.2	-0.1	1.4	1.3	0.1
COLOMBIA	1.8	0.8	0.9	1.3	1.9	-0.6	1.4	2.2	-0.8	1.8	2.2	-0.4	1.9	2.5	-0.6
ECUADOR	0.8	1.0	-0.2	0.6	1.5	-0.9	0.6	1.3	-0.7	0.7	1.2	-0.6	0.6	1.5	-0.8
PARAGUAY	0.1	0.0	0.1	0.2	0.0	0.1	0.2	0.0	0.2	0.2	0.0	0.2	0.2	0.0	0.1
PERU	1.5	1.2	0.3	0.7	0.8	-0.1	0.8	0.8	0.0	0.8	0.7	0.1	0.7	0.8	-0.1
URUGUAY	0.2	0.2	0.0	0.1	0.5	-0.4	0.1	0.3	-0.3	0.1	0.3	-0.2	0.1	0.2	-0.1
VENEZUELA	5.4	5.6	-0.1	3.1	5.1	-2.0	3.6	5.6	-2.0	4.6	5.2	-0.7	3.0	6.8	-3.8
SOUTH AMERICA	17.4	15.2	2.2	11.7	18.4	-6.6	12.7	20.2	-7.6	14.6	21.6	-7.0	14.0	23.1	-9.1
MEXICO	17.8	13.8	4.0	12.4	17.3	-4.9	14.6	20.3	-5.7	20.6	23.3	-2.6	25.0	27.2	-2.2
CARIBBEAN BASIN 2)	6.6	10.0	-3.4	6.5	6.3	0.2	7.1	6.3	0.8	7.9	6.3	1.5	9.4	7.1	2.4
TOTAL LATIN AMERICA	41.8	39.0	2.8	30.6	41.9	-11.3	34.4	46.8	-12.5	43.1	51.3	-8.1	48.4	57.4	-9.0
U.S. TRADE WITH REST OF WORLD	196.9	222.0	-25.1	196.9	328.0	-131.1	218.5	359.1	-140.6	279.6	390.0	-110.4	315.4	416.0	-100.6
US TRADE WITH WORLD	238.7	261.0	-22.3	227.5	370.0	-142.5	252.9	405.9	-153.0	322.7	441.3	-118.6	363.8	473.4	-109.6

Notes: 1) Total figures and percentage changes are calculated from actual not rounded data.
2) Caribbean Basin includes Central America, Caribbean Islands, Guyana and Suriname.

Source:U.S. Department of Commerce.

TABLE 5.--U.S. Total Exports to Latin America 1)
(US$ Billions; F.A.S.)

	1981	1985	1986	% Chg	1987	% Chg	1988	% Chg.	1989	% Chg
ARGENTINA	2.2	0.7	0.9	32	1.1	15	1.1	-3	1.0	-2
BOLIVIA	0.2	0.1	0.1	-6	0.1	25	0.1	6	0.1	-2
BRAZIL	3.8	3.1	3.9	23	4.0	4	4.2	6	4.8	13
CHILE	1.5	0.7	0.8	21	0.8	-3	1.1	34	1.4	32
COLOMBIA	1.8	1.5	1.3	-10	1.4	8	1.8	25	1.9	9
ECUADOR	0.8	0.6	0.6	1	0.6	4	0.7	11	0.6	-6
PARAGUAY	0.1	0.1	0.2	72	0.2	8	0.2	6	0.2	-14
PERU	1.5	0.5	0.7	41	0.8	17	0.8	-2	0.7	-13
URUGUAY	0.2	0.1	0.1	57	0.1	-7	0.1	8	0.1	34
VENEZUELA	5.4	3.2	3.1	-1	3.6	13	4.6	28	3.0	-34
SOUTH AMERICA	17.4	10.5	11.7	12	12.7	8	14.6	15	14.0	-4
MEXICO	17.8	13.6	12.4	-9	14.6	18	20.6	42	25.0	21
CARIBBEAN BASIN 2)	6.6	6.1	6.5	5	7.1	10	7.9	11	9.4	20
TOTAL LATIN AMERICA	41.8	30.3	30.6	1	34.4	12	43.1	25	48.4	12
U.S. EXPORTS TO REST OF WORLD	196.9	188.9	196.9	4	218.5	11	279.6	28	315.4	13
U.S. EXPORTS TO WORLD	238.7	219.2	227.5	4	252.9	11	322.7	28	363.8	13

Notes: 1) Total figures and percentage changes are calculated from actual not rounded data.
2) Caribbean Basin includes Central America, Caribbean Islands, Guyana and Suriname.

Source: U.S. Department of Commerce.

TABLE 6.--U.S. General Imports From Latin America 1)
(US$ Billions; Customs Value)

	1981	1985	1986	% Chg	1987	% Chg	1988	% Chg.	1989	% Chg.
ARGENTINA	1.1	1.1	0.9	-20	1.1	26	1.4	33	1.4	-3
BOLIVIA	0.2	0.1	0.1	25	0.1	-10	0.1	5	0.1	3
BRAZIL	4.5	7.5	6.8	-9	7.9	15	9.3	19	8.4	-10
CHILE	0.6	0.7	0.8	10	1.0	20	1.2	18	1.3	13
COLOMBIA	0.8	1.3	1.9	41	2.2	19	2.2	-3	2.5	18
ECUADOR	1.0	1.8	1.5	-20	1.3	-14	1.2	-3	1.5	21
PARAGUAY	0.05	0.02	0.03	25	0.02	-27	0.04	68	0.05	22
PERU	1.2	1.1	0.8	-26	0.8	-4	0.7	-15	0.8	24
URUGUAY	0.2	0.6	0.5	-15	0.3	-27	0.3	-20	0.2	-21
VENEZUELA	5.6	6.5	5.1	-22	5.6	9	5.2	-6	6.8	30
SOUTH AMERICA	15.2	20.8	18.4	-12	20.2	10	21.6	7	23.1	7
MEXICO	13.8	19.1	17.3	-10	20.3	17	23.3	15	27.2	17
CARIBBEAN BASIN 2	10.0	6.9	6.3	-10	6.3	1	6.3	0	7.1	12
TOTAL LATIN AMERICA	39.0	46.9	41.9	-11	46.8	12	51.3	9	57.4	12
U.S. IMPORTS FROM REST OF WORLD	222.0	298.4	328.0	10	359.1	9	390.0	9	416.0	7
U.S. IMPORTS FROM WORLD	261.0	345.3	370.0	7	405.9	10	441.3	9	473.4	7

Notes: 1) Total figures and percentage changes are calculated from actual not rounded data.
2) Caribbean Basin includes Central America, Caribbean Islands, Guyana and Suriname.

Source:U.S. Department of Commerce.

Appendix B

U.S. Trade with Latin America, By Major Commodities

By Major Commodities (SITC rev. 3), 1986-89

Table 1.--U.S. trade data
Flow: Total exports
Type: F.a.s. value
Partner: Argentina
(Thousands of dollars)

SITC rev 3 commodity / Time period	1986	1987	1988	1989
Total all commodities	943,020	1,088,970	1,054,783	1,036,744
0--Food and live animals	12,822	11,393	10,373	7,239
1--Beverages and tobacco	1,813	854	1,048	1,087
2--Crude materials, inedible, except fuels	41,651	56,910	41,839	36,030
3--Mineral fuels, lubricants and related materials	44,785	71,682	42,583	45,319
4--Animal and vegetable oils, fats and waxes	1,990	2,226	2,282	2,901
5--Chemicals and related products, n.e.s	281,507	277,848	287,096	286,464
6--Manufactured goods classified chiefly by material	51,593	51,639	61,498	55,915
7--Machinery and transport equipment	394,217	475,948	474,771	477,858
8--Miscellaneous manufactured articles	77,452	90,162	86,286	82,411
9--Commodities & transact not class elsewhere in sitc	35,191	50,309	47,006	41,523

Note: 1983-88 data are estimated.
Note: Compiled from official statistics of the U.S. Department of Commerce.

Table 1.--U.S. trade data
Flow: General imports
Type: Customs value
Partner: Argentina
(Thousands of dollars)

SITC rev 3 commodity / Time period	1986	1987	1988	1989
Total all commodities	855,666	1,079,741	1,437,611	1,398,356
0--Food and live animals	263,450	345,525	326,600	400,092
1--Beverages and tobacco	11,945	9,091	12,587	17,023
2--Crude materials, inedible, except fuels	14,173	16,940	26,621	19,913
3--Mineral fuels, lubricants and related materials	131,142	65,738	89,806	179,292
4--Animal and vegetable oils, fats and waxes	15,206	12,232	77,774	9,328
5--Chemicals and related products, n.e.s	77,106	83,476	96,555	89,354
6--Manufactured goods classified chiefly by material	264,481	404,905	593,310	461,462
7--Machinery and transport equipment	25,534	31,455	54,302	57,760
8--Miscellaneous manufactured articles	44,850	87,402	141,148	153,831
9--Commodities & transact not class elsewhere in sitc	7,780	22,976	18,908	10,301

Note: 1983-88 data are estimated.
Note: Compiled from official statistics of the U.S. Department of Commerce.

Table 2.--U.S. trade data
Flow: Total exports
Type: F.a.s. value
Partner: Bolivia
(Thousands of dollars)

SITC rev 3 commodity / Time period	1986	1987	1988	1989
Total all commodities	111,013	139,429	146,606	144,261
0--Food and live animals	28,329	38,551	38,796	35,561
1--Beverages and tobacco	291	1,476	843	872
2--Crude materials, inedible, except fuels	1,253	2,099	1,513	1,409
3--Mineral fuels, lubricants and related materials	2,052	425	3,258	700
4--Animal and vegetable oils, fats and waxes	1,084	943	2,589	1,832
5--Chemicals and related products, n.e.s	4,664	6,920	9,108	8,529
6--Manufactured goods classified chiefly by material	5,414	7,808	8,226	9,984
7--Machinery and transport equipment	56,964	62,233	63,938	61,247
8--Miscellaneous manufactured articles	5,827	7,837	9,457	19,090
9--Commodities & transact not class elsewhere in sitc	5,136	11,138	8,878	5,037

Note: 1983-88 data are estimated.
Note: Compiled from official statistics of the U.S. Department of Commerce.

Table 2.--U.S. trade data
Flow: General imports
Type: Customs value
Partner: Bolivia
(Thousands of dollars)

SITC rev 3 commodity / Time period	1986	1987	1988	1989
Total all commodities	123,572	110,659	117,008	119,982
0--Food and live animals	7,685	7,207	12,142	8,916
1--Beverages and tobacco	0	1	44	37
2--Crude materials, inedible, except fuels	16,921	20,242	22,544	21,751
3--Mineral fuels, lubricants and related materials	2,873	0	0	0
5--Chemicals and related products, n.e.s	1,317	989	1,065	1,371
6--Manufactured goods classified chiefly by material	30,012	14,402	31,125	47,132
7--Machinery and transport equipment	78	298	194	106
8--Miscellaneous manufactured articles	5,049	2,482	3,309	14,634
9--Commodities & transact not class elsewhere in sitc	59,636	65,037	46,584	26,034

Note: 1983-88 data are estimated.
Note: Compiled from official statistics of the U.S. Department of Commerce.

Table 3.--U.S. trade data
Flow: Total exports
Type: F.a.s. value
Partner: Brazil
(Thousands of dollars)

SITC rev 3 commodity / Time period	1986	1987	1988	1989
Total all commodities	3,856,403	3,994,026	4,247,224	4,799,438
0--Food and live animals	444,363	153,350	24,954	87,570
1--Beverages and tobacco	1,460	1,437	1,617	2,146
2--Crude materials, inedible, except fuels	266,774	257,775	200,350	236,993
3--Mineral fuels, lubricants and related materials	304,730	286,149	270,588	311,097
4--Animal and vegetable oils, fats and waxes	19,470	1,972	6,754	27,980
5--Chemicals and related products, n.e.s	753,465	669,634	661,263	796,340
6--Manufactured goods classified chiefly by material	136,663	137,419	158,140	234,295
7--Machinery and transport equipment	1,666,005	2,176,508	2,585,606	2,594,333
8--Miscellaneous manufactured articles	188,400	197,973	255,117	351,674
9--Commodities & transact not class elsewhere in sitc	75,072	111,809	82,835	157,008

Note: 1983-88 data are estimated.
Note: Compiled from official statistics of the U.S. Department of Commerce.

Table 3.--U.S. trade data
Flow: General imports
Type: Customs value
Partner: Brazil
(Thousands of dollars)

SITC rev 3 commodity / Time period	1986	1987	1988	1989
Total all commodities	6,812,862	7,865,423	9,323,755	8,379,033
0--Food and live animals	1,792,226	1,910,238	1,981,413	1,457,359
1--Beverages and tobacco	122,023	90,346	112,379	114,547
2--Crude materials, inedible, except fuels	244,890	316,745	391,612	484,057
3--Mineral fuels, lubricants and related materials	385,141	614,803	715,313	706,897
4--Animal and vegetable oils, fats and waxes	30,097	43,009	92,810	34,743
5--Chemicals and related products, n.e.s	274,189	230,414	339,530	314,622
6--Manufactured goods classified chiefly by material	1,243,334	1,291,509	1,721,447	1,562,765
7--Machinery and transport equipment	1,427,857	2,029,012	2,484,200	2,116,507
8--Miscellaneous manufactured articles	1,152,066	1,266,825	1,409,346	1,495,301
9--Commodities & transact not class elsewhere in sitc	141,039	72,523	75,706	92,234

Note: 1983-88 data are estimated.
Note: Compiled from official statistics of the U.S. Department of Commerce.

Table 13.--U.S. trade data
Flow: Total exports
Type: F.a.s. value
Partner: CBI
(Thousands of dollars)

SITC rev 3 commodity / Time period	1986	1987	1988	1989
Total all commodities	6,463,382	7,130,828	7,881,350	9,426,527
0--Food and live animals	844,029	902,341	1,025,071	1,113,278
1--Beverages and tobacco	138,983	123,861	178,505	178,378
2--Crude materials, inedible, except fuels	191,864	234,368	282,197	332,488
3--Mineral fuels, lubricants and related materials	525,522	624,368	492,564	597,285
4--Animal and vegetable oils, fats and waxes	110,345	109,042	99,292	123,886
5--Chemicals and related products, n.e.s	745,219	771,159	925,859	1,080,669
6--Manufactured goods classified chiefly by material	922,119	1,030,517	1,177,322	1,345,838
7--Machinery and transport equipment	1,653,837	1,685,697	1,856,243	2,475,145
8--Miscellaneous manufactured articles	941,561	1,127,323	1,325,510	1,573,875
9--Commodities & transact not class elsewhere in sitc	389,902	522,150	518,785	605,685

Note: 1983-88 data are estimated.
Note: Compiled from official statistics of the U.S. Department of Commerce.

Table 13.--U.S. trade data
Flow: General imports
Type: Customs value
Partner: CBI
(Thousands of dollars)

SITC rev 3 commodity / Time period	1986	1987	1988	1989
Total all commodities	6,256,522	6,324,016	6,337,807	7,067,137
0--Food and live animals	2,429,458	2,021,639	1,754,705	1,881,428
1--Beverages and tobacco	81,559	76,043	85,172	91,818
2--Crude materials, inedible, except fuels	241,218	310,056	354,860	394,176
3--Mineral fuels, lubricants and related materials	1,403,473	1,443,865	1,086,914	1,065,143
4--Animal and vegetable oils, fats and waxes	897	1,899	2,344	1,929
5--Chemicals and related products, n.e.s	275,319	267,502	405,347	508,976
6--Manufactured goods classified chiefly by material	197,157	209,441	253,259	282,606
7--Machinery and transport equipment	284,530	249,776	269,803	288,253
8--Miscellaneous manufactured articles	1,100,445	1,481,617	1,873,761	2,281,917
9--Commodities & transact not class elsewhere in sitc	242,466	262,177	251,644	270,892

Note: 1983-88 data are estimated.
Note: Compiled from official statistics of the U.S. Department of Commerce.

Table 4.--U.S. trade data
Flow: Total exports
Type: F.a.s. value
Partner: Chile
(Thousands of dollars)

SITC rev 3 commodity / Time period	1986	1987	1988	1989
Total all commodities	823,295	796,155	1,064,913	1,410,753
0--Food and live animals	38,962	30,921	42,789	20,108
1--Beverages and tobacco	3,931	6,323	8,227	13,130
2--Crude materials, inedible, except fuels	36,972	41,413	46,199	39,339
3--Mineral fuels, lubricants and related materials	20,946	17,271	26,130	62,267
4--Animal and vegetable oils, fats and waxes	1,938	1,806	1,713	2,176
5--Chemicals and related products, n.e.s	151,109	173,856	225,396	257,948
6--Manufactured goods classified chiefly by material	64,063	80,414	89,604	116,489
7--Machinery and transport equipment	413,792	355,222	508,657	735,139
8--Miscellaneous manufactured articles	59,529	56,282	71,651	101,417
9--Commodities & transact not class elsewhere in sitc	32,054	32,647	44,548	62,740

Note: 1983-88 data are estimated.
Note: Compiled from official statistics of the U.S. Department of Commerce.

Table 4.--U.S. trade data
Flow: General imports
Type: Customs value
Partner: Chile
(Thousands of dollars)

SITC rev 3 commodity / Time period	1986	1987	1988	1989
Total all commodities	820,293	980,976	1,162,336	1,307,727
0--Food and live animals	277,876	361,396	400,361	442,492
1--Beverages and tobacco	6,848	10,244	10,477	17,121
2--Crude materials, inedible, except fuels	68,342	85,070	80,973	111,938
3--Mineral fuels, lubricants and related materials	5	0	7,669	4,835
4--Animal and vegetable oils, fats and waxes	248	512	527	227
5--Chemicals and related products, n.e.s	20,359	25,763	43,336	65,551
6--Manufactured goods classified chiefly by material	325,514	335,651	444,521	480,571
7--Machinery and transport equipment	4,731	3,979	5,384	5,393
8--Miscellaneous manufactured articles	10,276	23,653	49,918	69,018
9--Commodities & transact not class elsewhere in sitc	106,094	134,708	119,169	110,582

Note: 1983-88 data are estimated.
Note: Compiled from official statistics of the U.S. Department of Commerce.

Table 5.--U.S. trade data
Flow: Total exports
Type: F.a.s. value
Partner: Colombia
(Thousands of dollars)

SITC rev 3 commodity / Time period	1986	1987	1988	1989
Total all commodities	1,307,747	1,409,710	1,756,690	1,915,884
0--Food and live animals	75,3[illegible]	55,991	85,996	107,496
1--Beverages and tobacco	3,5[illegible]	3,251	2,729	6,230
2--Crude materials, inedible, except fuels	55,716	104,043	127,905	75,892
3--Mineral fuels, lubricants and related materials	37,318	11,992	20,399	35,234
4--Animal and vegetable oils, fats and waxes	24,838	23,312	33,562	18,508
5--Chemicals and related products, n.e.s	290,811	372,103	474,431	485,894
6--Manufactured goods classified chiefly by material	97,849	105,143	141,237	176,035
7--Machinery and transport equipment	574,874	574,928	684,678	786,479
8--Miscellaneous manufactured articles	114,383	111,201	127,187	155,938
9--Commodities & transact not class elsewhere in sitc	33,084	47,746	58,565	68,177

Note: 1983-88 data are estimated.
Note: Compiled from official statistics of the U.S. Department of Commerce.

Table 5.--U.S. trade data
Flow: General imports
Type: Customs value
Partner: Colombia
(Thousands of dollars)

SITC rev 3 commodity / Time period	1986	1987	1988	1989
Total all commodities	1,874,195	2,232,361	2,167,158	2,548,028
0--Food and live animals	874,524	637,553	667,525	672,779
1--Beverages and tobacco	5,005	5,276	4,867	4,437
2--Crude materials, inedible, except fuels	143,147	147,543	180,024	190,668
3--Mineral fuels, lubricants and related materials	515,516	1,108,564	867,324	1,165,376
4--Animal and vegetable oils, fats and waxes	26	164	147	350
5--Chemicals and related products, n.e.s	32,721	29,221	29,227	49,691
6--Manufactured goods classified chiefly by material	151,953	147,954	180,922	187,200
7--Machinery and transport equipment	9,553	8,331	10,879	7,837
8--Miscellaneous manufactured articles	84,155	104,243	154,919	196,805
9--Commodities & transact not class elsewhere in sitc	57,596	43,512	71,324	72,884

Note: 1983-88 data are estimated.
Note: Compiled from official statistics of the U.S. Department of Commerce.

Table 6.--U.S. trade data
Flow: Total exports
Type: F.a.s. value
Partner: Ecuador
(Thousands of dollars)

SITC rev 3 commodity / Time period	1986	1987	1988	1989
Total all commodities	594,922	615,437	680,242	640,982
0--Food and live animals	55,843	54,657	67,054	91,775
1--Beverages and tobacco	783	705	1,300	491
2--Crude materials, inedible, except fuels	15,784	19,743	28,924	23,563
3--Mineral fuels, lubricants and related materials	13,496	14,034	10,496	14,298
4--Animal and vegetable oils, fats and waxes	9,842	12,770	21,532	22,301
5--Chemicals and related products, n.e.s.	123,445	111,056	125,035	139,676
6--Manufactured goods classified chiefly by material	73,058	82,697	88,709	94,908
7--Machinery and transport equipment	252,534	265,949	278,088	208,122
8--Miscellaneous manufactured articles	37,328	35,560	39,562	28,156
9--Commodities & transact not class elsewhere in sitc	12,808	18,267	19,543	17,692

Note: 1983-88 data are estimated.
Note: Compiled from official statistics of the U.S. Department of Commerce.

Table 6.--U.S. trade data
Flow: General imports
Type: Customs value
Partner: Ecuador
(Thousands of dollars)

SITC rev 3 commodity / Time period	1986	1987	1988	1989
Total all commodities	1,464,462	1,265,767	1,231,279	1,483,872
0--Food and live animals	855,673	850,781	797,894	755,026
1--Beverages and tobacco	1,173	1,060	1,154	1,141
2--Crude materials, inedible, except fuels	11,593	13,270	15,846	18,992
3--Mineral fuels, lubricants and related materials	570,055	368,423	379,971	673,005
4--Animal and vegetable oils, fats and waxes	1,042	930	359	1,458
5--Chemicals and related products, n.e.s.	640	1,093	1,151	608
6--Manufactured goods classified chiefly by material	10,882	14,726	17,934	16,636
7--Machinery and transport equipment	2,195	211	317	433
8--Miscellaneous manufactured articles	2,839	4,136	5,600	7,054
9--Commodities & transact not class elsewhere in sitc	8,370	11,137	11,053	9,520

Note: 1983-88 data are estimated.
Note: Compiled from official statistics of the U.S. Department of Commerce.

Table 12.--U.S. trade data
Flow: Total exports
Type: F.a.s. value
Partner: Mexico
(Thousands of dollars)

SITC rev 3 commodity / Time period	1986	1987	1988	1989
Total all commodities	12,379,267	14,569,554	20,633,263	24,968,823
0--Food and live animals	570,842	641,721	1,473,914	2,011,520
1--Beverages and tobacco	11,517	11,548	22,561	41,462
2--Crude materials, inedible, except fuels	845,339	1,066,211	1,486,733	1,507,130
3--Mineral fuels, lubricants and related materials	441,243	536,532	486,763	720,483
4--Animal and vegetable oils, fats and waxes	156,998	116,660	166,846	154,927
5--Chemicals and related products, n.e.s.	1,268,881	1,442,200	1,847,875	2,225,099
6--Manufactured goods classified chiefly by material	1,207,611	1,551,067	2,307,581	3,033,249
7--Machinery and transport equipment	6,386,529	7,273,328	9,994,127	11,338,140
8--Miscellaneous manufactured articles	1,103,801	1,371,766	2,019,431	2,581,213
9--Commodities & transact not class elsewhere in sitc	386,507	558,523	827,431	1,355,599

Note: 1983-88 data are estimated.
Note: Compiled from official statistics of the U.S. Department of Commerce.

Table 12.--U.S. trade data
Flow: General imports
Type: Customs value
Partner: Mexico
(Thousands of dollars)

SITC rev 3 commodity / Time period	1986	1987	1988	1989
Total all commodities	17,301,723	20,270,785	23,276,890	27,186,258
0--Food and live animals	2,212,856	2,081,043	1,937,671	2,390,768
1--Beverages and tobacco	185,630	270,995	264,535	252,755
2--Crude materials, inedible, except fuels	731,968	428,473	506,386	627,208
3--Mineral fuels, lubricants and related materials	3,726,981	3,842,442	3,309,895	4,299,301
4--Animal and vegetable oils, fats and waxes	1,679	3,776	8,375	20,392
5--Chemicals and related products, n.e.s.	330,234	393,315	566,685	582,196
6--Manufactured goods classified chiefly by material	1,547,539	1,937,941	2,427,262	2,711,061
7--Machinery and transport equipment	6,546,111	8,714,457	10,891,877	12,177,830
8--Miscellaneous manufactured articles	1,413,367	1,819,098	2,374,175	2,750,402
9--Commodities & transact not class elsewhere in sitc	605,359	779,246	990,029	1,374,346

Note: 1983-88 data are estimated.
Note: Compiled from official statistics of the U.S. Department of Commerce.

Table 7.--U.S. trade data
Flow: Total exports
Type: F.a.s. value
Partner: Paraguay
(Thousands of dollars)

SITC rev 3 commodity / Time period	1986	1987	1988	1989
Total all commodities	170,833	183,127	193,693	166,704
0--Food and live animals	827	1,369	2,834	4,030
1--Beverages and tobacco	8,554	14,402	18,240	19,452
2--Crude materials, inedible, except fuels	544	651	596	638
3--Mineral fuels, lubricants and related materials	261	277	970	735
4--Animal and vegetable oils, fats and waxes	104	54	47	43
5--Chemicals and related products, n.e.s	5,189	5,626	6,913	7,446
6--Manufactured goods classified chiefly by material	11,142	16,447	15,216	10,767
7--Machinery and transport equipment	115,600	105,456	104,886	88,511
8--Miscellaneous manufactured articles	24,374	32,757	36,590	28,908
9--Commodities & transact not class elsewhere in sitc	4,239	6,089	7,402	6,175

Note: 1983-88 data are estimated.
Note: Compiled from official statistics of the U.S. Department of Commerce.

Table 7.--U.S. trade data
Flow: General imports
Type: Customs value
Partner: Paraguay
(Thousands of dollars)

SITC rev 3 commodity / Time period	1986	1987	1988	1989
Total all commodities	29,734	22,014	36,536	44,982
0--Food and live animals	21,910	9,137	12,831	6,831
1--Beverages and tobacco	331	488	522	207
2--Crude materials, inedible, except fuels	700	1,163	1,035	895
4--Animal and vegetable oils, fats and waxes	278	731	1,478	2,753
5--Chemicals and related products, n.e.s	1,129	983	1,171	2,772
6--Manufactured goods classified chiefly by material	3,668	6,372	11,287	13,766
7--Machinery and transport equipment	68	196	138	58
8--Miscellaneous manufactured articles	[illegible]	2,823	7,336	17,377
9--Commodities & transact not class elsewhere in sitc	[illegible]	121	738	323

Note: 1983-88 data are estimated.
Note: Compiled from official statistics of the U.S. Department of Commerce.

Table 8.--U.S. trade data
Flow: Total exports
Type: F.a.s. value
Partner: Peru
(Thousands of dollars)

SITC rev 3 commodity / Time period	1986	1987	1988	1989
Total all commodities	691,677	810,007	793,147	689,606
0--Food and live animals	119,431	116,335	147,863	121,819
1--Beverages and tobacco	331	1,752	2,097	796
2--Crude materials, inedible, except fuels	32,026	36,751	30,742	13,636
3--Mineral fuels, lubricants and related materials	25,331	60,485	84,702	63,874
4--Animal and vegetable oils, fats and waxes	3,482	1,433	2,730	2,823
5--Chemicals and related products, n.e.s	148,684	171,359	165,066	119,941
6--Manufactured goods classified chiefly by material	40,780	50,223	34,936	36,845
7--Machinery and transport equipment	256,782	263,767	233,202	259,466
8--Miscellaneous manufactured articles	27,255	42,666	30,459	32,555
9--Commodities & transact not class elsewhere in sitc	37,577	65,235	61,350	37,851

Note: 1983-88 data are estimated.
Note: Compiled from official statistics of the U.S. Department of Commerce.

Table 8.--U.S. trade data
Flow: General imports
Type: Customs value
Partner: Peru
(Thousands of dollars)

SITC rev 3 commodity / Time period	1986	1987	1988	1989
Total all commodities	802,828	768,541	656,118	815,350
0--Food and live animals	225,433	134,762	137,389	152,562
1--Beverages and tobacco	329	250	389	512
2--Crude materials, inedible, except fuels	61,812	102,786	88,400	71,897
3--Mineral fuels, lubricants and related materials	195,034	235,039	148,294	180,742
4--Animal and vegetable oils, fats and waxes	54	41	0	0
5--Chemicals and related products, n.e.s	5,561	7,113	11,068	21,689
6--Manufactured goods classified chiefly by material	212,807	177,771	133,109	192,531
7--Machinery and transport equipment	9,522	7,946	15,481	17,117
8--Miscellaneous manufactured articles	68,620	96,503	105,043	163,806
9--Commodities & transact not class elsewhere in sitc	23,656	6,330	16,943	14,494

Note: 1983-88 data are estimated.
Note: Compiled from official statistics of the U.S. Department of Commerce.

Table 9.--U.S. trade data
Flow: Total exports
Type: F.a.s. value
Partner: Uruguay
(Thousands of dollars)

SITC rev 3 commodity / Time period	1986	1987	1988	1989
Total all commodities	98,903	91,571	99,357	133,188
0--Food and live animals	7,790	1,275	936	943
1--Beverages and tobacco	1,339	1,446	2,324	2,122
2--Crude materials, inedible, except fuels	5,661	5,645	4,464	7,333
3--Mineral fuels, lubricants and related materials	2,056	1,452	3,656	9,136
4--Animal and vegetable oils, fats and waxes	388	203	226	734
5--Chemicals and related products, n.e.s	20,702	24,247	25,716	32,984
6--Manufactured goods classified chiefly by material	22,804	7,130	7,172	6,477
7--Machinery and transport equipment	22,711	30,416	37,737	47,898
8--Miscellaneous manufactured articles	10,099	12,346	11,746	13,204
9--Commodities & transact not class elsewhere in sitc	5,353	7,410	5,381	12,357

Note: 1983-88 data are estimated.
Note: Compiled from official statistics of the U.S. Department of Commerce.

Table 9.--U.S. trade data
Flow: General imports
Type: Customs value
Partner: Uruguay
(Thousands of dollars)

SITC rev 3 commodity / Time period	1986	1987	1988	1989
Total all commodities	472,388	343,788	274,704	218,290
0--Food and live animals	34,292	50,023	28,996	29,771
1--Beverages and tobacco	12	0	356	16
2--Crude materials, inedible, except fuels	7,431	13,687	11,870	12,050
3--Mineral fuels, lubricants and related materials	0	160	0	0
4--Animal and vegetable oils, fats and waxes	0	40	0	0
5--Chemicals and related products, n.e.s	1,252	835	961	2,684
6--Manufactured goods classified chiefly by material	18,442	29,409	36,475	54,076
7--Machinery and transport equipment	1,846	801	1,276	1,387
8--Miscellaneous manufactured articles	78,361	104,609	91,161	107,413
9--Commodities & transact not class elsewhere in sitc	330,753	144,224	103,609	10,893

Note: 1983-88 data are estimated.
Note: Compiled from official statistics of the U.S. Department of Commerce.

Table 10.--U.S. trade data
Flow: Total exports
Type: F.a.s. value
Partner: Venezuela
(Thousands of dollars)

SITC rev 3 commodity / Time period	1986	1987	1988	1989
Total all commodities	3,136,697	3,559,586	4,573,024	3,035,703
0--Food and live animals	337,657	348,679	530,730	324,420
1--Beverages and tobacco	1,989	3,360	4,074	1,623
2--Crude materials, inedible, except fuels	177,963	244,350	284,961	156,512
3--Mineral fuels, lubricants and related materials	76,005	93,481	123,044	178,291
4--Animal and vegetable oils, fats and waxes	58,603	63,486	52,990	67,046
5--Chemicals and related products, n.e.s	458,240	644,818	742,605	474,348
6--Manufactured goods classified chiefly by material	225,676	260,747	316,103	203,639
7--Machinery and transport equipment	1,571,646	1,673,214	2,204,382	1,401,174
8--Miscellaneous manufactured articles	191,658	175,420	244,050	167,008
9--Commodities & transact not class elsewhere in sitc	37,260	52,031	70,082	61,641

Note: 1983-88 data are estimated.
Note: Compiled from official statistics of the U.S. Department of Commerce.

Table 10.--U.S. trade data
Flow: General imports
Type: Customs value
Partner: Venezuela
(Thousands of dollars)

SITC rev 3 commodity / Time period	1986	1987	1988	1989
Total all commodities	5,096,738	5,578,979	5,228,094	6,786,009
0--Food and live animals	142,346	74,726	65,188	116,179
1--Beverages and tobacco	500	1,683	1,558	2,632
2--Crude materials, inedible, except fuels	161,237	168,355	199,046	230,463
3--Mineral fuels, lubricants and related materials	4,329,498	4,948,753	4,469,589	5,927,977
4--Animal and vegetable oils, fats and waxes	283	586	570	891
5--Chemicals and related products, n.e.s	33,281	23,156	48,853	30,975
6--Manufactured goods classified chiefly by material	306,756	271,560	349,078	338,112
7--Machinery and transport equipment	22,887	24,977	37,524	61,124
8--Miscellaneous manufactured articles	30,406	22,962	30,953	46,714
9--Commodities & transact not class elsewhere in sitc	69,564	42,221	25,736	30,944

Note: 1983-88 data are estimated.
Note: Compiled from official statistics of the U.S. Department of Commerce.

Table 11.--U.S. trade data
Flow: Total exports
Type: F.a.s. value
Partner: total South America
(Thousands of dollars)

SITC rev 3 commodity / Time period	1986	1987	1988	1989
Total all commodities	11,734,511	12,688,018	14,609,679	13,973,264
0--Food and live animals	1,121,362	812,521	952,326	800,962
1--Beverages and tobacco	24,026	35,006	42,501	47,948
2--Crude materials, inedible, except fuels	634,344	769,380	767,493	591,345
3--Mineral fuels, lubricants and related materials	526,982	557,248	585,826	720,950
4--Animal and vegetable oils, fats and waxes	121,737	108,203	124,424	146,346
5--Chemicals and related products, n.e.s	2,237,816	2,457,467	2,722,628	2,609,569
6--Manufactured goods classified chiefly by material	729,040	799,667	920,841	945,353
7--Machinery and transport equipment	5,325,125	5,983,640	7,175,945	6,660,227
8--Miscellaneous manufactured articles	736,304	762,204	912,105	980,362
9--Commodities & transact not class elsewhere in sitc	277,774	402,682	405,590	470,201

Note: 1983-88 data are estimated.
Note: Compiled from official statistics of the U.S. Department of Commerce.

Table 11.--U.S. trade data
Flow: General imports
Type: Customs value
Partner: total South America
(Thousands of dollars)

SITC rev 3 commodity / Time period	1986	1987	1988	1989
Total all commodities	18,352,739	20,248,249	21,634,599	23,101,629
0--Food and live animals	4,495,414	4,381,348	4,430,341	4,042,007
1--Beverages and tobacco	148,167	118,440	144,333	157,674
2--Crude materials, inedible, except fuels	730,247	885,800	1,017,972	1,162,623
3--Mineral fuels, lubricants and related materials	6,129,263	7,341,481	6,677,967	8,838,124
4--Animal and vegetable oils, fats and waxes	47,233	58,246	173,665	49,750
5--Chemicals and related products, n.e.s	447,556	403,042	572,917	579,316
6--Manufactured goods classified chiefly by material	2,567,848	2,694,259	3,519,207	3,354,251
7--Machinery and transport equipment	1,504,252	2,107,208	2,609,695	2,267,722
8--Miscellaneous manufactured articles	1,477,260	1,715,637	1,998,734	2,271,952
9--Commodities & transact not class elsewhere in sitc	805,500	542,789	489,769	378,208

Note: 1983-88 data are estimated.
Note: Compiled from official statistics of the U.S. Department of Commerce.

Table 14.--U.S. trade data
Flow: Total exports
Type: F.a.s. value
Partner: TOTAL LATIN AMERICA
(Thousands of dollars)

SITC rev 3 commodity / Time period	1986	1987	1988	1989
Total all commodities	30,577,160	34,388,400	43,124,291	48,368,614
0--Food and live animals	2,536,233	2,356,582	3,451,312	3,925,760
1--Beverages and tobacco	174,526	170,415	243,567	267,788
2--Crude materials, inedible, except fuels	1,671,547	2,069,959	2,536,423	2,430,964
3--Mineral fuels, lubricants and related materials	1,493,747	1,718,149	1,565,153	2,038,719
4--Animal and vegetable oils, fats and waxes	389,080	333,905	390,562	425,159
5--Chemicals and related products, n.e.s	4,251,916	4,670,826	5,496,362	5,915,337
6--Manufactured goods classified chiefly by material	2,858,770	3,381,251	4,405,743	5,324,440
7--Machinery and transport equipment	13,365,491	14,942,666	19,026,315	20,473,513
8--Miscellaneous manufactured articles	2,781,666	3,261,292	4,257,046	5,135,450
9--Commodities & transact not class elsewhere in sitc	1,054,183	1,483,355	1,751,807	2,431,485

Note: 1983-88 data are estimated.
Note: Compiled from official statistics of the U.S. Department of Commerce.

Table 14.--U.S. trade data
Flow: General imports
Type: Customs value
Partner: TOTAL LATIN AMERICA
(Thousands of dollars)

SITC rev 3 commodity / Time period	1986	1987	1988	1989
Total all commodities	41,910,984	46,843,051	51,249,296	57,355,024
0--Food and live animals	9,137,728	8,484,029	8,122,716	8,314,204
1--Beverages and tobacco	415,356	465,478	494,040	502,248
2--Crude materials, inedible, except fuels	1,703,433	1,624,330	1,879,219	2,184,007
3--Mineral fuels, lubricants and related materials	11,259,717	12,627,788	11,074,775	14,202,567
4--Animal and vegetable oils, fats and waxes	49,809	63,921	184,385	72,070
5--Chemicals and related products, n.e.s	1,053,109	1,063,859	1,544,948	1,670,488
6--Manufactured goods classified chiefly by material	4,312,544	4,841,641	6,199,727	6,347,918
7--Machinery and transport equipment	8,334,893	11,071,441	13,771,375	14,733,805
8--Miscellaneous manufactured articles	3,991,071	5,016,352	6,246,669	7,304,271
9--Commodities & transact not class elsewhere in sitc	1,653,325	1,584,212	1,731,442	2,023,446

Note: 1983-88 data are estimated.
Note: Compiled from official statistics of the U.S. Department of Commerce.

Appendix C

DESK OFFICER INFORMATION

Additional trade information may be obtained from the following Department of Commerce Department Desk Officers.

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